UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark one)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2016

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-35758

SolarCity Corporation

(Exact name of registrant as specified in its charter)

Delaware	**02-0781046**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

3055 Clearview Way
San Mateo, California 94402
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (650) 638-1028

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2016 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of voting stock held by non-affiliates of the registrant based on the closing price of $23.93 for shares of the registrant's common stock as reported by the NASDAQ Global Select Market, was approximately $1,615.7 million.

Since November 21, 2016 and on January 31, 2017, 100 shares of the registrant's common stock, $0.01 par value, were outstanding, all of which were owned directly by Tesla, Inc.

REDUCED DISCLOSURE FORMAT

The registrant meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this Form with the reduced disclosure format.

DOCUMENTS INCORPORATED BY REFERENCE: NONE

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The discussions in this Annual Report on Form 10-K contain forward-looking statements reflecting our current expectations that involve risks and uncertainties. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, profitability, expected cost reductions, capital adequacy, expectations regarding demand and acceptance for our products, growth opportunities and trends in the markets in which we operate, prospects and plans and objectives of management. The words “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “will”, “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, “Risk Factors” in this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission. We do not assume any obligation to update any forward-looking statements.

PART I

ITEM 1. BUSINESS

Overview

SolarCity's founding vision is to accelerate mass adoption of sustainable energy. We believe solar power can and will become the world's predominant source of energy, and that we can speed widespread adoption of solar power by offering products that save our customers money. In November 2016, we were acquired by Tesla, Inc., or Tesla, with a goal of creating the world's first vertically integrated sustainable energy company to provide customers with a simple one-stop experience for clean energy generation, storage and transportation.

We sell renewable energy and energy storage solutions to our customers, typically at prices below utility rates, and are focused on reducing the costs of adopting solar energy. We make it easy for our customers to adopt solar energy by designing, permitting, financing, and installing our solar energy and storage systems, and performing maintenance and monitoring services. We offer our customers the ability to go solar for little to no upfront costs, or we sell solar energy and energy storage systems to our customers with a variety of financing alternatives.

2016 Operational Highlights:

Our 2016 operational highlights include the following:

- Acquisition by Tesla – With our acquisition by Tesla, we have combined to create the world's only vertically integrated sustainable energy company, offering customer solutions ranging from clean energy generation to storage to transportation.
- Solar Roof Announcement – With Tesla, we announced the launch of our Solar Roof, seamlessly integrating high-efficiency solar energy production with aesthetically pleasing and extremely durable glass roofing tiles, designed to complement and power customer homes.
- Manufacturing Relationship with Panasonic – We entered into long-term agreements with Panasonic to manufacture custom solar cell and solar panels at the Riverbend manufacturing facility located in Buffalo, New York, designed to accompany Tesla's Powerwall and Powerpack energy storage products.
- Worldwide Microgrid Service – We made continued advancements in our GridLogic microgrid services, with an installation on the island of Ta'u in American Samoa designed to replace the costly need to transport diesel fuel for generators with affordable, reliable solar power.

Our Approach

Through our collaboration with Tesla, our vertically-integrated offerings enable our customers to lower their energy costs with distributed solar energy in a simple and efficient process. We have disrupted the industry status quo by providing renewable energy directly to customers, typically for less than they are currently paying for utility-generated energy. Unlike utilities, we provide energy with a predictable cost structure that does not rely on limited fossil fuels and is insulated from rising retail electricity prices. We also provide assurances to our customers as to the amount of electricity produced by our solar energy systems. Our strategy is to create a best-in-class vertically-integrated operation focused on leveraging differentiated technology and our significant scale to lead the way in driving down the cost of solar energy to an affordable level for more and more people across the country and, eventually, the world. By focusing on technology solutions, we are working to build a cleaner, more affordable, more resilient energy distribution grid. By putting cleaner and more affordable energy in the hands of the consumer, we are building a broad portfolio of customers with relationships we aim to retain for life and ultimately a network of distributed solar energy systems that could transform the way energy is delivered globally.

Our Financial Strategy and Product Offerings

SolarCity is an industry leader in offering innovative financing alternatives for our customers. In 2008, we launched the SolarLease, offering customers a fixed monthly fee at rates that typically translated into lower monthly utility bills with an electricity production guarantee from a SolarCity-owned system. This was followed in 2009 by the launch of the SolarPPA, a power purchase agreement charging customers a fee per kilowatt hour, or kWh, based on the amount of electricity produced by our solar energy systems at rates typically lower than their local utility rate. Our current standard SolarLease and SolarPPA offerings have 20-year terms, and we typically offer the opportunity to renew for up to an additional 10 years. In 2014, we launched our first loan product with a SolarCity-financed loan allowing customers to finance the purchase of a solar energy system, and we followed that in 2016 with our current Solar Loan product. Our current Solar Loan offers third-party financing alternatives to finance the purchase of a solar energy system and allow customers to take direct advantage of federal tax credits to reduce their electricity costs.

Our long-term SolarLeases and SolarPPAs create high-quality recurring payments, investment tax credits, accelerated tax depreciation and other incentives. We perceive our recurring customer payments as high-quality assets because electricity is a necessity, and our customers typically include individuals with high credit scores, commercial businesses and government agencies. In addition, we have experienced extremely low historic default rates on payments from our customers, with average net loss rates in 2016 less than 1%. Our financial strategy is to monetize these assets at the lowest cost of capital. We share the economic benefit of this lower cost of capital with our customers by lowering the price they pay for energy.

Historically, we have monetized the assets created by our customer agreements through financing funds we have formed with fund investors and by leveraging the value of our residual interests. In general, we contribute and sell solar assets to the financing funds in exchange for upfront cash and a residual interest. The allocation of the economic benefits, as well as the timing of receipt of such economic benefits, among us and the fund investors varies depending on the structure of the financing fund. We use the cash received from financing funds and borrowings against the value of our residual interests to cover costs associated with installing the related solar energy systems. At the end of 2016, we had over 54 financing funds with 22 different investors, comprised mostly of large financial institutions and large blue chip corporations, and had engaged in a number of long-term strategic transactions, including securitization and cash equity transactions.

Our customer base is comprised primarily of residential homeowners, commercial businesses, schools and universities, and federal, state and local government entities. We have completed installations in 28 states, the District of Columbia, Puerto Rico, Canada and Mexico, and maintain operations centers across the United States. We generally group our commercial, educational and governmental customers together for our internal customer management purposes. We intend to expand our footprint domestically and internationally wherever distributed solar energy generation is a viable economic alternative to utility generation.

In addition, we are continuing to develop proprietary microgrid and other battery management systems designed to work seamlessly with Tesla energy storage products to enable remote, fully bidirectional control of distributed energy storage that can potentially provide significant benefits to our customers, utilities and grid operators.

We are organized and operate in a single segment. See Note 2 to our consolidated financial statements included in Part II, Item 8 of this annual report on Form 10-K.

Operations and Suppliers

We purchase major components such as solar panels and inverters directly from multiple manufacturers. As of December 31, 2016, our primary solar panel suppliers were Canadian Solar Inc., Trina Solar Limited, REC Americas LLC, Hanwha Q-Cells America, and LG Electronics, among others, and our primary inverter suppliers were ABB Inc., SolarEdge Technologies, Inc., Fronius USA, LLC, Solectria Renewables, LLC and Delta Electronics, among others. We typically enter into master contractual arrangements with our major suppliers that define the general terms and conditions of our purchases, including warranties, product specifications, indemnities, delivery and other customary terms. We typically purchase solar panels and inverters on an as-needed basis from our suppliers at then-prevailing prices pursuant to purchase orders issued under our master contractual arrangements.

In December 2016, we entered into long-term agreements with Panasonic to manufacture custom solar cells and solar panels at the Riverbend manufacturing facility located in Buffalo, New York, with negotiated pricing provisions and the intent to manufacture 1 Gigawatt of solar panels annually.

We offer a range of warranties and performance guarantees for our solar energy systems. We generally provide warranties of between 10 to 30 years on the generating and non-generating parts of the solar energy systems we sell, together with a pass-through of the inverter and module manufacturers' warranties that generally range from 5 to 30 years. Where we sell the electricity generated by a solar energy system, we compensate customers if their system produces less energy over a specified performance period than our guarantee. We also provide ongoing service and repair during the entire term of the customer relationship. Costs associated with such ongoing service and repair have not been material to date, but are expected to increase as our customer base expands, inverters require replacement and the systems age.

Competition

We believe our primary competitors are the traditional local utilities that supply energy to our potential customers. We compete with these traditional utilities primarily based on price, predictability of price and the ease by which customers can switch to electricity generated by our solar energy systems rather than fossil based alternatives. We believe that our favorable pricing and focus on lifetime customer relationships allows us to compete favorably with traditional utilities in the regions we service.

We also compete with companies that provide products and services in distinct segments of the downstream solar energy and energy-related products value chain. Many companies only install solar energy systems, while others only provide financing for these installations. In the residential solar energy system installation market, our primary competitors include Vivint Solar Inc., Sunrun Inc., Trinity Solar, Sungevity, Inc., and many smaller local solar companies. In the commercial solar energy system installation market, our competitors include SunPower Corporation, Safari Energy, Greenskies Renewable Energy, Borrego Solar Systems, Inc and numerous other companies.

We believe that our favorable pricing, focus on lifetime customer relationships, and integrated customer-facing approach to delivering solar energy allows us to compete favorably with these companies. While we offer in-house sales, financing, engineering, installation, monitoring, and operations and maintenance, many of our competitors offer only a subset of the products and services we provide.

Intellectual Property

Our intellectual property is an essential element of our business, and our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we rely on a combination of patent, trade secret, trademark, copyright and other intellectual property laws, confidentiality agreements and license agreements to establish and protect our intellectual property rights.

As of December 31, 2016, SolarCity and our wholly owned subsidiaries had approximately 131 issued patents and 296 patent applications pending with the U.S. Patent and Trademark Office, 64 patents issued/registered and 135 patent applications pending with foreign patent and trademark offices. These patent assets cover various SolarCity technologies, such as solar cells, installation and mounting hardware, financial products, electrical hardware, monitoring solutions and related software. Our issued patents start expiring in 2025. SolarCity intends to continue to file additional patent applications. In addition, SolarCity and our wholly owned subsidiaries had approximately 60 trademark registrations and 46 pending trademark applications. SolarCity's registered and unregistered trademarks in the United States and in certain other countries cover, for example, "SolarCity" and "SolarCity and Sun logo."

All of our employees and independent contractors are required to sign agreements acknowledging that all inventions, trade secrets, works of authorship, developments and other processes generated by them on our behalf are our property and assigning to us any ownership that they may claim in those works.

Securing Our Solar Energy Systems

For solar energy systems installed under our SolarLease and SolarPPA, we file a uniform commercial code financing statement, or UCC-1, on the systems in the real property records where each system is located prior to or when the system is installed. We file the UCC-1 to provide notice of our interests in the solar energy system to anyone who might perform a title search on the address where the system is located.

A UCC-1 fixture filing is not a lien against a customer's home and does not entitle us to the proceeds of the sale of a home in foreclosure. Typically, when a foreclosed home is sold by the lender, we negotiate with the prospective buyer to assume the existing agreement. We believe the prospective buyer is generally motivated to assume the existing agreement to receive its benefits. The number of solar energy systems identified for recovery has been immaterial to date.

Government Regulation

We are not a "regulated utility" in the United States under applicable national, state or other local regulatory regimes where we conduct business. For our limited operations in Ontario, Canada, our subsidiary is subject to the regulations of the relevant energy regulatory agencies applicable to all producers of electricity under the relevant feed-in tariff, or FIT, regulations, including the FIT rates.

To operate our systems, we obtain interconnection agreements from the applicable local primary electricity utility. Depending on the size of the solar energy system and local law requirements, interconnection agreements are between the local utility and either us or our customer. In almost all cases, interconnection agreements are standard form agreements that have been pre-approved by the local public utility commission or other regulatory body with jurisdiction over interconnection agreements. As such, no additional regulatory approvals are required once interconnection agreements are signed. We maintain a utility administration function, with primary responsibility for engaging with utilities and ensuring our compliance with interconnection rules.

Our operations are subject to stringent and complex federal, state and local laws and regulations governing the occupational health and safety of our employees, wage regulations and environmental regulations. For example, we are subject to the requirements

of the federal Occupational Safety and Health Act, as amended, or OSHA, and comparable state laws that protect and regulate employee health and safety. We have a robust safety department led by safety professionals, and we expend significant resources to comply with these regulations, requirements and industry best practices.

Federal and/or state prevailing wage requirements, which generally apply to any "public works" construction project that receives public funds, may apply to installations of our solar energy systems on government facilities. The prevailing wage is the basic hourly rate paid on public works projects to a majority of workers engaged in a particular craft, classification or type of work within a particular area. Prevailing wage requirements are established and enforced by regulatory agencies. Our in-house prevailing wage personnel monitor and coordinate our continuing compliance with these regulations.

Government Incentives

U.S. federal, state and local governments have established various policies, incentives and financial mechanisms to reduce the cost of solar energy and to accelerate the adoption of solar energy. These incentives include tax credits, cash grants, tax abatements and rebates. These incentives help catalyze private sector investments in solar energy, energy efficiency and energy storage measures, including the installation and operation of residential and commercial solar energy systems.

The federal government currently provides an uncapped investment tax credit, or Federal ITC, under two sections of the Internal Revenue Code of 1986, as amended, or IRC: Section 48 and Section 25D, both of which were modified and extended at the end of 2015.

Section 48(a)(3) of the IRC allows a taxpayer to claim a credit of 30% of qualified expenditures for a commercial solar energy system that commences construction by December 31, 2019. The credit then declines to 26% for systems that commence construction by December 31, 2020 and to 22% for systems that commence construction by December 31, 2021. The credit is scheduled to decline to a permanent 10% effective January 1, 2022. Historically, we have utilized the Section 48 commercial credit when available for both our residential and commercial projects, based on ownership of the solar energy system. The federal government also provides accelerated depreciation for eligible commercial solar energy systems.

Section 25D of the IRC allows a taxpayer to claim a credit for a residential solar energy system that is owned by the homeowner. This credit is available at 30% for systems that are placed in service by December 31, 2019, at 26% for systems placed in service in 2020, and at 22% for systems placed in service in 2021. The credit is scheduled to expire effective January 1, 2022. Customers who purchase their solar energy systems for cash or through our Solar Loan are eligible to claim the Section 25D investment tax credit.

Approximately half of U.S. states offer a personal and/or corporate investment or production tax credit for solar, which are additive to the Federal ITC. Further, more than half of U.S. states, and many local jurisdictions, have established property tax incentives for renewable energy systems, which include exemptions, exclusions, abatements and credits.

Some utilities offer rebates or other cash incentives for the installation and operation of a solar energy system or energy-related products. Capital costs or "up-front" rebates provide payments to solar customers based on the cost, size or expected production of a customer's solar energy system. Performance-based incentives provide cash payments to a system owner based on the energy generated by their solar energy system during a pre-determined period, and they are paid over that time period.

Forty-one states, Washington, D.C. and Puerto Rico have a form of regulatory policy known as net energy metering, or net metering, available to new solar customers. Net metering typically allows solar customers to interconnect their on-site solar energy systems to the utility grid and offset their utility electricity purchases by receiving a bill credit at the utility's retail rate for energy generated by their solar energy system that is exported to the grid in excess of electric load used by customers. Each of the states where we currently serve customers has adopted a net metering policy except for Texas, where certain individual utilities have adopted net metering or a policy similar to net metering. Typically, at the end of the billing period, the customer simply pays for the net energy used or receives a credit at the retail rate if more energy is produced than consumed.

Some states have established limits on net metering. For example, in October 2015, the Hawaii Public Utilities Commission capped the state's net metering program at existing levels and net metering no longer is available to new customers. In late December 2015, the Nevada Public Utilities Commission (PUCN) also effectively capped the state's net metering program at existing levels and net metering no longer was available to new customers. At that time, the PUCN also adopted new rules that include significant additional monthly charges on customers who interconnect their solar energy systems, and a significant reduction in the amount of bill credit customers receive for energy generated by their solar energy system that is exported to the grid in excess of electric load used by customers. Subsequently, the PUCN modified portions of the new rules to be more favorable for solar customers, including

providing grandfathering treatment for existing net metering customers and reopening a specified capacity of net metering for new customers in northern Nevada. However, at this time net metering still is not available to new customers in southern Nevada.

California investor-owned utilities are required to provide net metering to their customers until the total generating capacity of net metered systems exceeds 5% of the utilities' "aggregate customer peak demand." In January 2016, the California Public Utilities Commission established a new net metering program requiring that customers utilize a time-of-use tariff, with no participation cap that will apply after the utility's 5% cap on the original net metering program is reached. PG&E and SDG&E have reached their 5% caps on the original program and now offer the uncapped new net metering program to new customers.

Sales of electricity and non-sale equipment leases by third-parties, such as our SolarLeases and SolarPPAs, face regulatory challenges in some states and jurisdictions. Other challenges pertain to whether third-party owned systems qualify for the same levels of rebates or other non-tax incentives available for customer-owned solar energy systems, and whether third-party owned systems are eligible for these incentives.

Many states also have adopted procurement requirements for renewable energy production, such as an enforceable renewable portfolio standard, or RPS, or other mandated renewable capacity policy that requires covered entities to procure a specified percentage of total electricity delivered to customers in the state from eligible renewable energy sources, such as solar energy systems, by a specified date. In addition, several other states have set voluntary goals for renewable generation. Many states with RPS policies require a minimum portion of the RPS be met by solar, with substantial penalties for non-compliance. To prove compliance with such mandates, utilities typically must surrender renewable energy certificates. A solar renewable energy certificate, or SREC, is a tradable credit that represents all of the clean energy benefits of electricity generated from a solar energy system. Every time a solar energy system generates 1,000 kWh of electricity, one SREC is issued or minted by a government agency. The SREC can then be sold or traded separately from the energy produced, generally through brokers and dealers facilitating individually negotiated bilateral arrangements. SRECs are primarily valuable because they help utilities and other energy suppliers comply with RPS standards.

Employees

As of December 31, 2016, we had approximately 12,243 total employees. Approximately 5,332 worked in operations, installations and manufacturing; 4,155 in various sales and marketing related departments and 2,756 in general and administrative and research and development related departments. Our employees are not currently represented by any labor union or subject to any collective bargaining agreement. We have not experienced any work stoppages, and we consider our relationship with our employees to be good.

Corporate Information

We were incorporated in June 2006 as a Delaware corporation. In November 2016, we were acquired by, and now operate as a wholly owned subsidiary of, Tesla, Inc. Our headquarters are located at 3055 Clearview Way, San Mateo, California 94402, and our telephone number is (650) 638-1028. You can access our website at www.solarcity.com. Information contained on our website is not a part of, and is not incorporated into, this annual report on Form 10-K, and the inclusion of our website address in this annual report on Form 10-K is an inactive textual reference only. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Exchange Act are available free of charge on the Investors portion of the Tesla web site as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. You can obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding our filings at www.sec.gov.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below, together with the other information contained in this annual report on Form 10-K, including our consolidated financial statements and related notes. The risks described below are not the only risks facing our company. Any of the following risks and additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition, results or operations. In such case, our ability to repay borrowed amounts when due may be impaired, and you may lose all or part of your original investment.

Risks Related to our Operations

Existing electric utility industry regulations, and changes to regulations, may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for our solar energy systems or adversely impact the economics of existing energy contracts.

Federal, state and local government regulations and policies concerning the electric utility industry, utility rate structures, interconnection procedures, internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services. These regulations and policies often relate to electricity pricing and the interconnection of customer-owned electricity generation. In the United States, governments and utilities continuously modify these regulations and policies. These regulations and policies could deter potential customers from purchasing renewable energy, including solar energy systems. This could result in a significant reduction in demand for our solar energy systems. For example, utilities commonly charge fees to large, industrial customers for disconnecting from the electric grid or for having the capacity to use power from the electric grid for back-up purposes. These fees could increase our customers' cost to use our systems and make our product offerings less desirable, thereby harming our business, prospects, financial condition and results of operations. In addition, depending on the region, electricity generated by solar energy systems competes most effectively with higher priced peak-hour electricity from the electric grid, rather than the lower average price of electricity. Modifications to the utilities' peak-hour pricing policies or other electricity rate designs, such as a lower volumetric rate, would require us to lower the price of our solar energy systems to compete with the price of electricity from the electric grid.

Future changes to government or internal utility regulations and policies could also reduce our competitiveness, cause a significant reduction in demand for our products and services, and threaten the economics of our existing energy contracts. For example, in October 2015, the Hawaii Public Utilities Commission capped the state's net metering program at existing levels and net energy metering no longer is available to new customers.

In other jurisdictions, it has been proposed that additional fees and other charges be assessed on customers purchasing energy from solar energy systems. In particular, the Salt River Project, or SRP, in Arizona has imposed anticompetitive penalties on new solar customers in an attempt to exclude rooftop solar, and in response in March 2015 we filed a lawsuit in federal court in Arizona, asking the court to stop SRP's anti-competitive behavior. In 2016, seventy one actions relating to fixed charges were taken by utilities around the country. In the event that effective net metering programs are limited in California, Arizona and other key markets or any such fees or charges are imposed, our ability to attract new customers and compete with the price of electricity generated by local utilities in these jurisdictions may be severely limited, and such unaccounted for increases in the fees or charges applicable to existing customer agreements may increase the cost of energy to those customers and result in an increased rate of defaults under our customer agreements. Any of these results could reduce demand for our solar energy systems, harm our business, prospects, financial condition and results of operations.

We rely on net metering and related policies to offer competitive pricing to our customers in our key states.

Forty-one states, Washington, D.C. and Puerto Rico have a regulatory policy known as net energy metering, or net metering, available to new customers. Each of the states where we currently serve customers has adopted a net metering policy except for Texas, where certain individual utilities have adopted net metering or a policy similar to net metering. Net metering typically allows our customers to interconnect their on-site solar energy systems to the utility grid and offset their utility electricity purchases by receiving a bill credit at the utility's retail rate for energy generated by their solar energy system that is exported to the grid in excess of the electric load used by the customers. At the end of the billing period, the customer simply pays for the net energy used or receives a credit at the retail rate if more energy is produced than consumed. Utilities operating in states without a net metering policy may receive solar electricity that is exported to the grid when there is no simultaneous energy demand by the customer without providing retail compensation to the customer for this generation.

Our ability to sell solar energy systems and the electricity they generate may be adversely impacted by the failure to expand existing limits on the amount of net metering in states that have implemented it, the failure to adopt a net metering policy where it currently is not in place, the imposition of new charges that only or disproportionately impact customers that utilize net metering or reductions in the amount or value of credit that customers receive through net metering. Our ability to sell solar energy systems and the electricity they generate may also be adversely impacted by the unavailability of expedited or simplified interconnection for grid-tied solar energy systems or any limitation on the number of customer interconnections or amount of solar energy that utilities are required to allow in their service territory or some part of the grid. In addition, utilities in some states, such as SRP in Arizona, imposed additional monthly charges on customers who interconnect solar energy systems installed on their homes. If such charges are imposed, the cost savings associated with switching to solar energy may be significantly reduced and our ability to attract future customers and compete with traditional utility providers could be impacted. If such charges are imposed on existing customers in a way that adversely impacts the economics of existing energy contracts, we could further see an increase in the default rate of existing energy contracts or we may find it necessary to renegotiate our pricing of affected customers.

Limits on net metering, interconnection of solar energy systems and other operational policies in key markets could limit the number of solar energy systems installed in those markets. For example, in late December 2015, the Nevada Public Utilities Commission (PUCN) effectively capped the state's net metering program at existing levels and net metering no longer was available to new customers. Subsequently, the PUCN modified portions of the new rules to be more favorable for solar customers, including providing grandfathering treatment for existing net metering customers and reopening a specified capacity of net metering for new customers in northern Nevada. However, at this time net metering still is not available to new customers in southern Nevada. If the caps on net metering in key markets are reached and not extended or if the amount or value of credit that customers receive for net metering is significantly reduced or eliminated, future customers will be unable to recognize the current cost savings associated with net metering and existing customers may not recognize the economic benefits that were available at the time their energy contracts were entered into. We rely substantially on net metering when we establish competitive pricing for our prospective customers and the absence of net metering for new customers could greatly limit demand for our solar energy systems.

Regulatory limitations associated with technical considerations may significantly limit our ability to sell electricity from our solar energy systems in certain states.

Regulatory limits associated with technical considerations may curb our growth in certain key states. For example, the Federal Energy Regulatory Commission has promulgated small generator interconnection procedures that recommend limiting customer-sited intermittent generation resources, such as our solar energy systems, to a certain percentage of peak load on a given electrical feeder circuit. Similar limits have been adopted by various states and could constrain our ability to market to customers in certain geographic areas where the concentration of solar installations exceeds the limit. For example, Hawaiian electric utilities have adopted certain policies that limit distributed electricity generation in certain geographic areas. While these limits have constrained our growth in certain parts of Hawaii, policy developments in Hawaii generally have allowed distributed electricity generation penetration despite the electric utility-imposed limitations. Furthermore, in certain areas, we benefit from policies that allow for expedited or simplified procedures related to connecting solar energy systems to the power grid. If such procedures are changed or cease to be available, our ability to sell the electricity generated by solar energy systems we install may be adversely impacted. As adoption of solar distributed generation increases, along with the operation of large-scale solar generation in key markets such as California, the amount of solar energy being fed into the power grid may surpass the amount planned for relative to the amount of aggregate demand. Some utilities claim that within several years, solar generation resources may reach a level capable of causing an over-generation situation that could require some solar generation resources to be curtailed to maintain operation of the grid. The adverse effects of such curtailment without compensation could adversely impact our business, results of operations and future growth.

Our business currently depends on the availability of rebates, tax credits and other financial incentives. The expiration, elimination or reduction of these rebates, credits and incentives may adversely impact our business.

U.S. federal, state and local government bodies provide incentives to end users, distributors, system integrators and manufacturers of solar energy systems to promote solar electricity in the form of rebates, tax credits and other financial incentives such as system performance payments, payments for renewable energy credits associated with renewable energy generation and the exclusion of solar energy systems from property tax assessments. We rely on these governmental rebates, tax credits and other financial incentives to lower our cost of capital and to encourage fund investors to invest in our funds. These incentives enable us to lower the price we charge customers for energy and for our solar energy systems. However, these incentives may expire on a particular date, end when the allocated funding is exhausted or be reduced or terminated as solar energy adoption rates increase. These reductions or terminations often occur without warning.

The federal government currently offers a 30% investment tax credit under Section 48(a)(3) and Section 25D of the IRC, or the Federal ITC, for the installation of certain solar power facilities. Additionally, under Section 48, energy storage systems that are installed at the time of the solar power facility and, as required by IRS guidelines, store the energy of the solar power facility, are also eligible for the Federal ITC.

The credit under Section 48(a)(3) has been modified to remain at 30% of qualified expenditures for a commercial solar energy system that commences construction by December 31, 2019, then decline to 26% for systems that commence construction by December 31, 2020 and to 22% for systems that commence construction by December 31, 2021. The credit is scheduled to decline to a permanent 10% effective January 1, 2022. Historically, we have utilized the Section 48 commercial credit when available for both our residential and commercial leases and power purchase agreements, based on ownership of the solar energy system.

The credit under Section 25D has been modified to remain 30% of qualified expenditures for a residential solar energy system owned by the homeowner that is placed in service by December 31 2019, then decline to 26% for systems placed in service by December 21, 2020, and to 22% for systems placed in service by December 31, 2021. The credit is scheduled to expire effective January 1, 2022. Loan product customers can currently claim the Section 25D investment tax credit. Customers who purchase their solar energy systems for cash are also eligible to claim the Section 25D investment tax credit.

Reductions in, eliminations of, or expirations of, governmental incentives could adversely impact our results of operations and ability to compete in our industry by increasing our cost of capital, causing us to increase the prices of our energy and solar energy systems and reducing the size of our addressable market. In addition, this would adversely impact our ability to attract investment partners and to form new financing funds and our ability to offer attractive financing to prospective customers.

Our business depends in part on the regulatory treatment of third-party owned solar energy systems.

Our leases and power purchase agreements are third-party ownership arrangements. Sales of electricity by third-parties face regulatory challenges in some states and jurisdictions. Other challenges pertain to whether third-party owned systems qualify for the same levels of rebates or other non-tax incentives available for customer-owned solar energy systems, whether third-party owned systems are eligible at all for these incentives and whether third-party owned systems are eligible for net metering and the associated significant cost savings. In some states and utility territories, third-parties that own solar energy systems are limited in the way that they may deliver solar energy to their customers. In jurisdictions such as Arizona, Florida, Kentucky, North Carolina, Oklahoma and the Los Angeles Department of Water and Power service territory, laws have been interpreted to prohibit the sale of electricity pursuant to our standard power purchase agreement. This has led us and other solar energy system providers that utilize third-party ownership arrangements to offer leases rather than power purchase agreements in such jurisdictions. Imposition of such limitations in additional jurisdictions or reductions in, or eliminations of, incentives for third-party owned systems could reduce demand for our systems, adversely impact our access to capital and cause us to increase the price we charge our customers for energy.

We need to enter into additional substantial financing arrangements to facilitate our customers' access to our solar energy systems, and if this financing is not available to us on acceptable terms, if and when needed, our ability to grow our business would be materially adversely impacted.

Our future success depends on our ability to raise capital from third-party fund investors to help finance the deployment of our residential and commercial solar energy systems. In particular, our strategy is to reduce the cost of capital through these arrangements to improve our margins, offset future reductions in government incentives and maintain the price competitiveness of our solar energy systems. If we are unable to establish new financing funds for third-party ownership arrangements when needed, or on desirable terms, to enable our customers' access to our solar energy systems with little or no upfront cost, we may be unable to finance installation of our customers' systems, or our cost of capital could increase and our liquidity may be significantly constrained, any of which would have a material adverse effect on our business, financial condition and results of operations. To date, we have raised capital sufficient to finance installation of our customers' solar energy systems from a number of financial institutions and other large companies (including some that may be considered competitors to Tesla). In the past, challenges raising new funds have caused us to delay customer installations for brief periods of time.

The availability of this tax-advantaged financing depends upon many factors, including:

- the continued confidence of banks and other financing sources in the solar energy industry and the quality of our customer contracts;
- the state of financial and credit markets, and the liquidity needs of banks and other financing sources;
- our ability to compete with other renewable energy companies for the limited number of potential fund investors, each of which has limited funds and limited appetite for the tax benefits associated with these financings;
- changes in the legal or tax risks associated with these financings;
- non-renewal of government incentives or decreases in the associated benefits; and
- no adverse changes in the regulatory environment affecting the economics of our existing energy contracts.

Under current law, the Federal ITC will be reduced from 30% of the cost of solar energy systems to 26% of the cost of solar energy systems for systems that commence construction by December 31, 2020, and then reduced again to 22% of the cost of solar energy systems for systems that commence construction by December 31, 2021, until the Section 25D investment tax credit expires and the Section 48(a)(3) investment tax credit declines to a permanent 10% effective January 1, 2022.

In addition, U.S. Treasury grants are no longer available for new solar energy systems. Moreover, potential fund investors must remain satisfied that the structures we offer make the tax benefits associated with solar energy systems available to these investors, which depends both on the investors' assessment of the tax law and the absence of any unfavorable interpretations of that law. Changes in existing law and interpretations by the Internal Revenue Service and the courts could reduce the willingness of fund investors to invest in funds associated with these solar energy system investments. In addition, changes by state energy regulators impairing the economics of existing energy contracts causing an increased risk of default may also reduce the willingness of fund investors to invest. We cannot assure you that this type of financing will be available to us. If, for any reason, we are unable to finance

solar energy systems through tax-advantaged structures or if we are unable to realize or monetize depreciation benefits, we may no longer be able to provide solar energy systems to new customers on an economically viable basis. This would have a material adverse effect on our business, financial condition and results of operations.

Solar energy has yet to achieve broad market acceptance and depends on continued support in the form of performance-based incentives, rebates, tax credits and other incentives from federal, state, local and foreign governments. If this support diminishes, our ability to obtain external financing, on acceptable terms or otherwise, could be materially adversely affected.

Our ability to draw on financing commitments is subject to the conditions of the agreements underlying our financing funds, including the mix of types of energy contracts that we contribute and measures of customer credit. If we do not satisfy such conditions due to events related to our business or a specific financing fund, developments in our industry (including related to the Department of Treasury Inspector General investigation) or otherwise, and as a result we are unable to draw on existing commitments, it could have a material adverse effect on our business, liquidity, financial condition and prospects. If any of the financial institutions or large companies that currently invest in our financing funds decide not to invest in future financing funds due to general market conditions, concerns about our business or prospects, the pendency of the Department of Treasury Inspector General investigation or any other reason, or materially change the terms under which they are willing to provide future financing, we may be unable to raise sufficient financing to engage in the third-party ownership arrangements that have fueled our growth to date.

Servicing our debt requires a significant amount of cash and we may not have sufficient cash flow from our business to pay our substantial debt; other actions we are forced to take to satisfy our obligations under our indebtedness may not be successful.

Our total consolidated indebtedness was $3,580.4 million as of December 31, 2016, representing outstanding recourse indebtedness of $1,628.8 million and non-recourse indebtedness of $1,951.6 million.

While our non-recourse credit facilities have been structured to be supported solely by the assets that are pledged as collateral, and, to date, we have not experienced any failure to pay such non-recourse indebtedness, our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness depends on such factors as:

- our future operational and financial performance;
- global economic, financial, competitive and other factors beyond our control;
- incorrect assumptions as to the amount of future cash flows to be produced by the solar assets subject to the non-recourse credit facilities;
- the potential for widespread failure of solar energy systems and related components due to product defects;
- the potential of widespread disasters for which our insurance coverage proves to be insufficient; and
- changes in laws, regulations or policies that adversely affect the treatment of third-party owned solar energy systems.

As a result of these and other factors, our business may not be able to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. In addition, we may not fully achieve the full anticipated benefits and other cost reductions as a result of our acquisition by Tesla. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing our operations and operating expenses, selling assets, restructuring debt or obtaining additional capital on terms that may be onerous.

Our ability to refinance our existing indebtedness will depend on the financial markets and our financial condition at such time, and the occurrence of certain events and concerns regarding our business and liquidity, and general market conditions may make it difficult for us to access the financial markets or to refinance our existing indebtedness or raise additional funds on acceptable terms. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations or otherwise significantly limit our ability to respond to periods of increased liquidity pressure.

We expect to incur substantially more debt or take other actions which would intensify the risks discussed above.

A major part of our financial strategy is to monetize the customer payments and incentives associated with the deployment of solar energy systems under our third-party ownership arrangements through non-recourse borrowings against our interests to finance our operations. We and our subsidiaries expect to incur substantial additional non-recourse debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. Incurring such additional debt could have the effect of diminishing our ability to make payments on existing indebtedness when due, and otherwise limiting our ability to respond to periods of increased liquidity pressure. Although certain of our existing credit facilities restrict our ability to incur additional indebtedness, including recourse and secured indebtedness, we may be able to obtain amendments and waivers of such restrictions or may not be

subject to such restrictions under the terms of any subsequent indebtedness. As the total amount of indebtedness we carry increases, we may be unable to enter into new credit facilities or refinance existing credit facilities and other indebtedness on acceptable terms, any such failure could constrain our liquidity and adversely impact our business, results of operations and future growth.

We may have trouble refinancing our existing indebtedness or obtaining new financing for our working capital, equipment financing and other needs in the future or complying with the terms of existing credit facilities. If credit facilities are not available to us on acceptable terms, if and when needed, or if we are unable to comply with their terms, our ability to respond to periods of constrained liquidity and to operate our business in accordance with current operating plans would be adversely impacted.

As of December 31, 2016, we had the ability to draw up to an additional $468.0 million under all of our credit facilities. Our secured revolving credit facility, our primary working capital facility, currently has a maximum size of $500 million (with $393.5 million currently committed from several lenders and an additional $106.5 million subject to further conditions) that matures in December 2017. The working capital facility requires us to comply with certain financial, reporting and other requirements. During the first and second quarters of 2016, the margins of our compliance with these financial covenants decreased, particularly with respect to the amount of unencumbered liquidity. While our lenders have given us waivers of certain covenants we have not satisfied in the past, there is no assurance that the lenders will waive or forbear from exercising their remedies with respect to any future defaults that might occur.

If we are unable to satisfy financial covenants and other terms under existing or new facilities, obtain associated waivers or forbearance from our lenders, or if we are unable to obtain refinancing or new financings for our working capital, equipment, convertible senior notes and other needs on acceptable terms if and when needed, our business would be adversely affected.

Although our acquisition by Tesla in an all-stock transaction did not result in a "fundamental change," we continue to be responsible for payments of interest during the term and may need to repay principal at maturity unless the stock price of Tesla significantly appreciates and the convertible senior notes are converted into Tesla common stock. We may need to refinance the convertible senior notes. Our failure to pay amounts when due or repurchase the convertible senior notes when required would constitute a default which could also result in defaults under other agreements governing our existing or future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the convertible senior notes.

We have incurred losses and may be unable to achieve or sustain profitability in the future.

We have incurred net losses in the past, and we had an accumulated deficit of $77.9 million as of December 31, 2016. We may continue to incur net losses from operations if we are unable to fully achieve the anticipated benefits of our acquisition by Tesla, or if we increase our spending to finance any expansion of our operations, engage in additional product development activities (including solar-integrated roofing products) and implement internal systems and infrastructure to support our growth. We do not know whether our revenue will grow rapidly enough to absorb these costs, and our limited operating history in many of these areas makes it difficult to assess the extent of these expenses or their impact on our operating results. Our ability to achieve profitability depends on a number of factors, including:

- successful integration with Tesla;
- growing our customer base;
- increasing the mix of cash sales and loans;
- finding investors willing to invest in our financing funds;
- maintaining and further lowering our cost of capital; and
- reducing the cost of components for our solar energy systems.

Even if we do achieve profitability, we may be unable to sustain or increase our profitability in the future.

The Office of the Inspector General of the U.S. Department of Treasury has issued subpoenas to a number of significant participants in the solar energy installation industry, including us. The subpoena we received requires us to deliver certain documents in our possession relating to our participation in the U.S. Treasury grant program. These documents are being delivered to the Office of the Inspector General of the U.S. Department of Treasury, which is investigating the administration and implementation of the U.S. Treasury grant program.

In July 2012, we and other companies that are significant participants in both the solar industry and the cash grant program under Section 1603 of the American Recovery and Reinvestment Act of 2009 received subpoenas from the U.S. Department of

Treasury's Office of the Inspector General to deliver certain documents in our respective possession. In particular, our subpoena requested, among other things, documents dated, created, revised or referred to since January 1, 2007 that relate to our applications for U.S. Treasury grants or communications with certain other solar companies or certain firms that appraise solar energy property for U.S. Treasury grant application purposes. The Inspector General is working with the Civil Division of the U.S. Department of Justice to investigate the administration and implementation of the U.S. Treasury grant program, including possible misrepresentations concerning the fair market value of the solar power systems submitted for grant under that program made in grant applications by solar companies, including us. We intend to cooperate fully with the Inspector General and the Department of Justice and continue to produce information as requested by the Inspector General. We are unable to anticipate when the Inspector General will conclude its review. If, at the conclusion of the investigation, the Inspector General concludes that misrepresentations were made, the Department of Justice could bring a civil action to recover amounts it believes were improperly paid to us. If the Department of Justice were successful in asserting such an action, we could then be required to pay damages and penalties for any funds received based on such misrepresentations (which, in turn, could require us to make indemnity payments to certain of our fund investors). Such consequences could have a material adverse effect on our business, liquidity, financial condition and prospects. Additionally, the period of time necessary to resolve the investigation is uncertain and this matter could require significant management and financial resources that could otherwise be devoted to the operation of our business.

If the Internal Revenue Service or the U.S. Treasury Department makes additional determinations that the fair market value of our solar energy systems is materially lower than what we have claimed, we may have to pay significant amounts to our financing funds or to our fund investors and such determinations could have a material adverse effect on our business, financial condition and prospects.

We and our fund investors claim the Federal ITC or the U.S. Treasury grant in amounts based on the fair market value of our solar energy systems. We have obtained independent appraisals to support the fair market values we report for claiming Federal ITCs and U.S. Treasury grants. The Internal Revenue Service and the U.S. Treasury Department review these fair market values. With respect to U.S. Treasury grants, the U.S. Treasury Department reviews the reported fair market value in determining the amount initially awarded. The Internal Revenue Service and the U.S. Treasury Department may subsequently audit the fair market value and determine that amounts previously awarded must be repaid to the U.S. Treasury Department or that excess awards constitute taxable income for U.S. federal income tax purposes. A small number of our financing funds are undergoing such audits. With respect to Federal ITCs, the Internal Revenue Service may review the fair market value on audit and determine that the tax credits previously claimed must be reduced. If the fair market value is determined to be less than we reported, we may owe our financing fund or fund investors an amount equal to this difference, plus any costs and expenses associated with a challenge to that valuation. We could also be subject to tax liabilities, including interest and penalties.

The U.S. Treasury Department has previously determined to award U.S. Treasury grants for some of our solar energy systems at a materially lower value than we had established in our appraisals. As a result, we have been required to pay our fund investors a true-up payment or contribute additional assets to the associated financing funds. It is possible that the U.S. Treasury Department will make similar determinations in the future. In response to such shortfalls, two of our financing funds filed a lawsuit in the United States Court of Federal Claims to recover the difference between the U.S. Treasury grants they sought and the amounts the U.S. Treasury paid; to the extent that these lawsuits are successful, any recovery would be used to repay us for amounts we previously reimbursed those funds. Our fund investors have contributed to our financing funds at the amounts the U.S. Treasury Department most recently awarded on similarly situated energy systems in order to reduce or eliminate the need for us to subsequently pay those fund investors true-up payments or contribute additional assets to the associated financing funds.

The Internal Revenue Service or the U.S. Treasury Department may object to the fair market value of solar energy systems that we have constructed, or will construct, including any systems for which grants have already been paid, as a result of:

- any pending or future audit,
- the outcome of the Department of Treasury Inspector General investigation, or
- changes in guidelines or otherwise.

If the Internal Revenue Service or the U.S. Treasury Department were to object to amounts we have claimed as too high of a fair market value on such systems, it could have a material adverse effect on our business, financial condition and prospects. For example, a hypothetical 5% downward adjustment in the fair market value of the $501.2 million of U.S. Department of Treasury grant applications that have been awarded from the beginning of the U.S. Treasury grant program through December 31, 2016 would obligate us to repay up to $25.1 million to our fund investors.

We have historically benefited from the declining cost of solar panels and other system components, and our business and financial results may be harmed as a result of increases in costs or tariffs imposed by the U.S. government on imported solar panels and other system components.

The declining cost of solar panels and the raw materials necessary to manufacture them has been a key driver in the pricing of our solar energy systems and customer adoption of this form of renewable energy. In the event of a significant increase of solar panel and raw materials prices, our ability to compete and our financial results could suffer. Further, the cost of solar panels and raw materials could potentially increase in the future due to a variety of factors which we cannot control, including the imposition of duties, subsidies and/or safeguards or other trade-related costs or penalties or shortages of essential components. Currently, global production of solar panels is at a point of oversupply, and prices are continuing to decline. As we increase our solar panel manufacturing operations (including our manufacturing relationship with Panasonic and our solar-integrated roofing products), future price declines may harm our ability to compete and produce solar panels at prices equal to or less than our competitors.

The U.S. government imposes antidumping and countervailing duties on solar cells manufactured in China and/or Taiwan. Based on determinations by the U.S. government, the antidumping and countervailing duty rates range from approximately 33%-255%. Such antidumping and countervailing duties are subject to annual review and may be increased or decreased.

In addition, the U.S. government imposed additional tariffs on solar modules manufactured in China (with solar cells manufactured in other countries) and solar cells manufactured in Taiwan. In early January 2015, the U.S. government announced its affirmative final determinations in both the countervailing duty and antidumping cases against China and in the antidumping case against Taiwan.

Since these tariffs are reflected in the purchase price of the solar panels and cells, these tariffs are a cost associated with purchasing these solar products. In the past, we purchased a significant number of the solar panels used in our solar energy systems from manufacturers that were based in China. We continue to be affected by these tariffs/duties and any changes to them as many of the solar panels we currently purchase contain components, including solar cells, from China and Taiwan.

If additional tariffs are imposed or other negotiated outcomes occur, our ability to purchase these products on competitive terms or to access specialized technologies from countries like China and Taiwan could be limited. Further, foreign suppliers in other countries could also be the subject of these or future trade cases. Any of these events could harm our financial results by requiring us to account for the cost of trade penalties or to purchase and integrate solar panels or other system components from alternative and potentially higher-priced sources.

In September 2014, we acquired Silevo, a solar panel technology and manufacturing company with manufacturing operations in China. In May 2015, we were contacted by the U.S. Customs and Border Protection (CBP) to provide information regarding our importation of solar panels from China. Based upon the information we provided, CBP agreed that our solar panels were not subject to the scope of antidumping and countervailing duty Orders on Crystalline Silicon Photovoltaic Cells/Modules from China (Orders); however, CBP instructed us to obtain a determination from the Department of Commerce (DOC). In June 2016, the DOC issued its final determination finding that Silevo's solar panels, manufactured in China, are within the scope of the antidumping and countervailing Orders. We are currently challenging that final determination in the Court of International Trade (CIT). However, until this issue is resolved, we have not and do not intend on importing Silevo solar panels produced in China for our U.S. operations without depositing the applicable antidumping and countervailing duties.

A material drop in the retail price of utility-generated electricity or electricity from other sources would harm our business, financial condition and results of operations.

We believe that a customer's decision to buy renewable energy from us is primarily driven by their desire to pay less for electricity. The customer's decision may also be affected by the cost of other renewable energy sources. Decreases in the retail prices of electricity from the utilities or other renewable energy sources would harm our ability to offer competitive pricing and could harm our business. The price of electricity from utilities could decrease as a result of:

- the construction of a significant number of new power generation plants, including nuclear, coal, natural gas or renewable energy technologies;
- the construction of additional electric transmission and distribution lines;
- a reduction in the price of natural gas, including as a result of new drilling techniques or a relaxation of associated regulatory standards;
- the development of energy conservation technologies and public initiatives to reduce electricity consumption; and
- the development of new renewable energy technologies that provide less expensive energy.

A reduction in utility electricity prices would make the purchase of our solar energy systems or the purchase of energy under our lease and power purchase agreements less economically attractive. In addition, a shift in the timing of peak rates for utility-generated electricity to a time of day when solar energy generation is less efficient could make our solar energy system offerings less competitive and reduce demand for our products and services. If the retail price of energy available from utilities were to decrease for any reason, we would be at a competitive disadvantage. As a result of these or similar events impacting the economics of our customer agreements, we may be unable to attract new customers and we may experience an increased rate of defaults under our existing customer agreements.

A material drop in the retail price of utility-generated electricity would particularly adversely impact our ability to attract commercial customers.

Commercial customers comprise a significant and growing portion of our business, and the commercial market for energy is particularly sensitive to price changes. Typically, commercial customers pay less for energy from utilities than residential customers. Because the price we are able to charge commercial customers is only slightly lower than their current retail rate, any decline in the retail rate of energy for commercial entities could have a significant impact on our ability to attract commercial customers. We may be unable to offer solar energy systems in commercial markets that produce electricity at rates that are competitive with the unsubsidized price of retail electricity. If this were to occur, our business would be harmed because we would be at a competitive disadvantage compared to other energy providers and may be unable to attract new commercial customers.

The terms of our agreement with the Research Foundation for the State University of New York, as amended, pertaining to the construction of the Buffalo Riverbend Manufacturing Facility, among other things, require us to comply with a number of covenants during the term of the agreement. Any failure to comply with these covenants could obligate us to pay significant amounts to the Foundation and result in termination of the agreement.

In September 2014, Silevo entered into an amended and restated research and development alliance agreement, as amended from time to time, referred to as the Riverbend Agreement, with the Research Foundation for the State University of New York, referred to as the Foundation, for the construction of an approximately 1 million square foot manufacturing facility capable of producing 1-gigawatt of solar panels annually on an approximately 88.24 acre site located in Buffalo, New York, referred to as the Manufacturing Facility.

Under the terms of the Riverbend Agreement, the Foundation will construct the Manufacturing Facility and install certain utilities and other improvements, with participation by us as to the design and construction of the Manufacturing Facility, and acquire certain manufacturing equipment designated by us to be used in the Manufacturing Facility and other specified items. The Foundation will cover construction costs related to the Manufacturing Facility and certain manufacturing equipment, in each case up to a maximum funding allocation from the State of New York, as well as additional specified items, and we will be responsible for any construction and equipment costs in excess of such amounts. The Foundation will own the Manufacturing Facility and manufacturing equipment it acquires for the project. We are also responsible for the acquisition of certain manufacturing equipment, which equipment we will own. Following completion of the Manufacturing Facility, we will lease the Manufacturing Facility from the Foundation for an initial period of 10 years for $2 per year plus utilities, and the Foundation will grant us the right to use the manufacturing equipment owned by it during the initial lease term at no charge.

In addition to the other obligations under the Riverbend Agreement, we must (i) use our best commercially reasonable efforts to commission the manufacturing equipment within three months of Manufacturing Facility Completion and reach full production output within three months thereafter, (ii) employ personnel for at least 1,460 jobs in Buffalo, New York, with 500 of such jobs for the manufacturing operation at the Manufacturing Facility, for the initial two years of collaboration commencing after Manufacturing Facility Completion, and we have committed to the retention of these jobs for five years, (iii) employ at least 2,000 other personnel in the State of New York for five years after Manufacturing Facility Completion, (iv) employ a total of 5,000 people in the State of New York by the tenth anniversary of Manufacturing Facility Completion, (v) spend or incur approximately $5 billion in combined capital, operational expenses and other costs in the State of New York during the 10 year period following full production, (vi) make reasonable efforts to provide first consideration to New York-based suppliers, (vii) invest and spend in manufacturing operations at a level that ensures competitive product costs for at least five years from full production, and (viii) negotiate in good faith with the Foundation on an exclusive "first opportunity basis" for 120 days before entering into any agreement for additional solar panel manufacturing capacity that Silevo may wish to develop during the term of the agreement. If we are not able to hire the specified number of employees or identify and qualify local vendors and suppliers, we would face the risk of not only failing to meet the performance criteria under the Riverbend Agreement but also not being capable of running the operations related to the Manufacturing Facility. If we fail in any year over the course of the ten-year term to meet these specified investment and job creation obligations, as described above, we would be obligated to pay a "program payment" of $41.2 million to the Foundation in any such year. In addition, we are subject to other events of defaults, including breach of these program payments and certain insolvency events, that would lead to the acceleration of all of the then unpaid program payments by us to the Foundation. Our failure to meet our contractual obligations under the Riverbend Agreement may result in our obligation to pay significant amounts to the Foundation in scheduled program

payments, other contractual damages and/or the termination of our lease of the Manufacturing Facility. Any inability on our part to raise the capital necessary to operate the Manufacturing Facility and meet the specified requirements of the Riverbend Agreement during the 10-year period following full production would also cause a material adverse effect upon our business operations and prospects.

In December 2016, we entered into agreements with Panasonic to manufacture solar cells and modules at the Manufacturing Facility. Our expectations as to the cost of building the Manufacturing Facility, acquiring manufacturing equipment and supporting our manufacturing relationship with Panasonic and other operations may prove incorrect, which could subject us to significant expenses to achieve the desired benefits under the Riverbend Agreement. In the event of any cost overruns in construction, commissioning, acquiring manufacturing equipment or operating the Manufacturing Facility, we may incur additional capital and operating expenses that would have a material adverse effect upon our business operations and prospects.

Our projections as to the time and expense necessary to build the Manufacturing Facility and acquire the manufacturing equipment may prove incorrect and subject us to significant delay and additional expense.

We currently anticipate commencing solar module and solar roof manufacturing in the second half of 2017 with photovoltaic cells sourced from Panasonic, and are working towards ramping production to 1 gigawatt of solar cell production by 2019. We are working with the State of New York to finalize orders of manufacturing equipment related to solar module production.

We have recently identified potential modifications to the manufacturing equipment and factory layout related to the solar cell manufacturing line that may offer the ability to increase the production capacity of the Manufacturing Facility above 1 gigawatt per year. We believe that the short delay in finalizing the overall configuration will help maintain the long-term competitiveness of the Manufacturing Facility. However, this is an aggressive schedule and we may experience additional delays.

There are a number of risks which may delay the completion of the Manufacturing Facility and commencement of operations, including:

- delays in placing orders for necessary equipment with long lead times;
- failure or delay in obtaining necessary permits, licenses or other governmental support or approvals;
- the time necessary for the construction of related utility and infrastructure improvements;
- unforeseen engineering problems;
- the inability to identify and hire qualified construction and other workers on a timely basis or at all;
- construction delays and contractor performance shortfalls;
- work stoppages or labor disruptions, including efforts by our employees to enter into collective bargaining agreements;
- availability of raw materials and components from suppliers and any delivery delays in such materials or components;
- delays resulting from environmental conditions, and any design changes or additions necessary to remediate prior environmental hazards at the site; and
- adverse weather conditions, such as an extreme winter, and natural disasters.

Any delay in the completion of the Manufacturing Facility and commencement of our operations will result in us incurring additional expenses and could negatively affect our operating results, financial condition and prospects.

Rising interest rates could adversely impact our business.

Changes in interest rates could have an adverse impact on our business by increasing our cost of capital. For example:

- rising interest rates would increase our cost of capital; and
- rising interest rates may negatively impact our ability to secure financing on favorable terms to facilitate our customers' purchase of our solar energy systems or energy generated by our solar energy systems.

The majority of our cash flows to date have been from solar energy systems under lease and power purchase agreements that have been monetized under various financing fund and borrowing structures. One of the components of this monetization is the present value of the payment streams from our customers who enter into these leases and power purchase agreements. If the rate of return required by investors rises as a result of a rise in interest rates, it will reduce the present value of the customer payment stream and consequently reduce the total value that we are able to derive from monetizing the payment stream. Interest rates are at historically

low levels, partially as a result of intervention by the U.S. Federal Reserve. The U.S. Federal Reserve has taken actions to taper its intervention, and should these actions continue, it is likely that interest rates will rise, which could cause our cost of capital to increase and impede our ability to secure financing. As a result, our business and financial condition could be harmed.

In addition, we evaluate our business with a long-term view based on cash flows relating to our customer agreements, third-party financing funds and other arrangements. To date, we have taken limited actions to mitigate the risk of rising future interest rates. In 2014, we initiated a strategy of purchasing limited long-term derivative securities to economically hedge the effect of future interest rate increases. We may continue to engage in such transactions and the cost and outcomes of such transactions are currently not known.

We are expanding our international activities and customers, and plan to continue these efforts, which subject us to additional business risks, including compliance with international and trade regulations.

Our long-term strategic plans include international expansion and we intend to sell our solar energy products and services in international markets. For example, in August 2015, we acquired S.A. de C.V., or Ilioss to expand our operations into Mexico.

Risks inherent to our international operations include the following:

- multiple, conflicting and changing laws and regulations, including energy regulations, export and import restrictions, tax laws and regulations, environmental regulations, labor laws and other government requirements, approvals, permits and licenses;
- trade barriers and trade remedies such as export requirements, tariffs, taxes and other restrictions and expenses, which could increase the prices of our products and make us less competitive in some countries;
- potentially adverse tax consequences associated with our permanent establishment of operations in more countries, including repatriation of non-U.S. earnings taxed at rates lower than the U.S. statutory effective tax rate;
- difficulties and costs in recruiting and retaining individuals skilled in international business operations;
- changes in general economic and political conditions in the countries where we operate, including changes in government incentives relating to power generation and solar electricity, and availability of capital at competitive rates;
- political and economic instability, including wars, acts of terrorism, political unrest, boycotts, curtailments of trade and other business restrictions;
- the inability to work successfully with third-parties with local expertise to co-develop international projects;
- relatively uncertain legal systems, including potentially limited protection for intellectual property rights and laws, changes in the governmental incentives we rely on, regulations and policies which impose additional restrictions on the ability of foreign companies to conduct business in certain countries or otherwise place them at a competitive disadvantage in relation to domestic companies;
- international business practices that may conflict with CBP or other legal requirements enforced by partner government agencies;
- financial risks, such as longer sales and payment cycles and greater difficulty collecting accounts receivable; and
- fluctuations in currency exchange rates relative to the U.S. dollar.

Doing business in foreign markets requires us to be able to respond to rapid changes in market, legal, and political conditions in these countries. The success of our business will depend in part on our ability to succeed in differing legal, regulatory, economic, social and political environments. We recognize that we must understand the risks and opportunities relating to trade remedies so that we can develop and implement policies and strategies that will be effective in each location where we do business.

We are subject to the Foreign Corrupt Practices Act of 1977, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and other anti-bribery and anti-money laundering laws in countries in which we conduct activities. We face significant risks if we fail to comply with the FCPA and other anticorruption laws that prohibit companies and their employees and third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to foreign government officials, political parties, and private-sector recipients for the purpose of obtaining or retaining business. In many foreign countries, particularly in countries with developing economies, it may be a local custom that businesses engage in practices that are prohibited by the FCPA or other applicable laws and regulations. We may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities (for example, Mexico's electricity sector is federally owned and controlled by the Federal Electricity Commission). We can be held liable for the corrupt or

other illegal activities of our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. Any violation of the FCPA, other applicable anticorruption laws, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and, in the case of the FCPA, suspension or debarment from U.S. government contracting, which could have a material adverse effect on our business, financial condition, cash flows and reputation. In addition, responding to any enforcement action may result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees.

Our vertical integration and continued international expansion efforts may subject us to additional regulatory risks that may impact our operating results. For example, we will have to ensure we are in compliance with any bilateral and/or multilateral free trade agreements in addition to understanding trade remedies that directly affect those products and components involved in the construction of our solar energy systems, which are procured from vendors and manufacturers outside of the United States. Some of these components, particularly solar panels and mounting hardware made from aluminum extrusions, may be subject to antidumping and countervailing duties.

In March 2015, we conducted an internal review of our supply chain and import practices for our subsidiary, Zep Solar, which included a review of the classification of products manufactured overseas. We identified instances in which some of the products and system components imported into the United States were misclassified. As a result of these misclassifications, we discovered that two legacy products might be subject to antidumping and countervailing duties. In September 2015, we submitted a voluntary disclosure to the CBP identifying these and other potential misclassifications, cooperating fully with CBP to finalize this review. In April 2016, we perfected our disclosure tendering $5.3 million to CBP for import duties owed by our acquired subsidiary relating to items imported since August 2012. For items potentially subject to antidumping or countervailing duties, CBP may require us to obtain a determination from the DOC.

In the event that we fail to or are unable to comply with the legal requirements in the jurisdictions in which we operate, we may be subject to significant fines, penalties and other amounts which could materially harm our operations and financial results.

We may not realize the anticipated benefits of past or future acquisitions, and integration of these acquisitions may disrupt our business.

In August 2015, we acquired Iliosson S.A. de C.V., a commercial and industrial solar project developer in Mexico. In September 2014, we acquired Silevo, LLC, a solar panel technology and manufacturing company. In 2013, we acquired Zep Solar, Common Assets, certain assets of Paramount Solar and completed other smaller acquisitions. In the future, we may acquire additional companies, project pipelines, products or technologies, or enter into joint ventures or other strategic initiatives. Our ability as an organization to integrate acquisitions is unproven. We may not realize the anticipated benefits of our acquisitions or any other future acquisition or the acquisition may be viewed negatively by customers, financial markets or investors.

Any acquisition has numerous risks, including the following:

- difficulty in assimilating the operations and personnel of the acquired company;
- difficulty in effectively integrating the acquired technologies or products with our current products and technologies;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- disruption of our ongoing business and distraction of our management and employees from other opportunities and challenges due to integration issues;
- difficulty integrating the acquired company's accounting, management information and other administrative systems;
- inability to retain key technical and managerial personnel of the acquired business;
- inability to retain key customers, vendors, and other business partners of the acquired business;
- inability to achieve the financial and strategic goals for the acquired and combined businesses;
- incurring acquisition-related costs or amortization costs for acquired intangible assets that could impact our operating results;
- failure of due diligence processes to identify significant issues with product quality, legal and financial liabilities, among other things;
- inability to assert that internal controls over financial reporting are effective; and
- inability to obtain, or obtain in a timely manner, approvals from governmental authorities, which could delay or prevent such acquisitions.

If we are unable to maintain effective internal controls over financial reporting and disclosure controls and procedures, or if material weaknesses are discovered in future periods, the accuracy and timeliness of our financial and operating reporting may be adversely affected, and confidence in our operations and disclosures may be lost.

In the past we have identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis.

In connection with this annual report on Form 10-K, our management has performed an evaluation of our internal control over financial reporting as of December 31, 2016 pursuant to Section 404 of the Sarbanes-Oxley Act, and has concluded that our internal control over financial reporting and our disclosure controls and procedures were effective as of December 31, 2016.

If we are not able to maintain effective internal control over financial reporting and disclosure controls and procedures, or if additional material weaknesses are discovered in future periods, a risk that is significantly increased in light of the complexity of our business and investment funds, we may be unable to accurately and timely report our financial position, results of operations, cash flows or key operating metrics, which could result in late filings of our annual and quarterly reports under the Exchange Act, restatements of our consolidated financial statements or other corrective disclosures, an inability to access commercial lending markets, defaults under our secured revolving credit facility and other agreements, or other material adverse effects on our business, reputation, results of operations, financial condition or liquidity.

Updates or changes to our IT systems affecting our customer billing and control environment may disrupt our operations.

As we continue to evaluate and implement upgrades and changes to our IT systems affecting our customer billing and control environment, some of which are significant, we may encounter unexpected challenges, outages and other issues. Upgrades involve replacing existing systems with successor systems, making changes to existing systems, or cost-effectively acquiring new systems with new functionality. We are aware of inherent risks associated with replacing these systems, including accurately capturing data and system disruptions, and believe we are taking appropriate action to mitigate the risks through testing, training, and staging implementation, as well as ensuring appropriate commercial contracts are in place with third-party vendors supplying or supporting our IT initiatives. However, there can be no assurances that we will successfully launch these systems as planned or that they will occur without disruptions to our operations. IT system disruptions, if not anticipated and appropriately mitigated, or failure to successfully implement new or upgraded systems, could have a material adverse effect on our results of operations, and our ability to timely and accurately report our financial and operating results.

We are not currently regulated as a utility under applicable law, but we may be subject to regulation as a utility in the future.

Federal law and most state laws do not currently regulate us as a utility. As a result, we are not subject to the various federal and state standards, restrictions and regulatory requirements applicable to U.S. utilities. In the United States, we obtain federal and state regulatory exemptions by establishing "Qualifying Facility" status with the Federal Energy Regulatory Commission for all of our qualifying solar energy projects. In Canada, we also are generally subject to the regulations of the relevant energy regulatory agencies applicable to all producers of electricity under the relevant feed-in tariff regulations (including the feed-in tariff rates), however we are not currently subject to regulation as a utility. Our business strategy includes the continued development of larger solar energy systems in the future for our commercial and government customers, which has the potential to impact our regulatory position. Any local, state, federal or foreign regulations could place significant restrictions on our ability to operate our business and execute our business plan by prohibiting or otherwise restricting our sale of electricity. If we were subject to the same state, federal or foreign regulatory authorities as utilities in the United States or if new regulatory bodies were established to oversee our business in the United States or in foreign markets, then our operating costs would materially increase.

In our lease pass-through financing funds, there is a one-time reset of the lease payments, and we may be obligated, in connection with the resetting of the lease payments at true up, to refund lease prepayments or to contribute additional assets to the extent the system sizes, costs and timing are not consistent with the initial lease payment model.

In our lease pass-through financing funds, the models used to calculate the lease prepayments will be updated for each fund at a fixed date occurring after placement in service of all solar energy systems in a given fund or on an agreed upon date (typically within the first year of the applicable lease term) to reflect certain specified conditions as they exist at such date, including the ultimate system size of the equipment that was leased, how much it cost and when it went into service. As a result of such a true up, the lease payments are resized and we may be obligated to refund the investor's lease prepayments or to contribute additional assets to the fund. Any significant refunds or capital contributions that we may be required to make could adversely affect our financial condition.

We have guaranteed a minimum return to be received by an investor in one of our financing funds and could be adversely affected if we are required to make any payments under this guarantee.

We have guaranteed payments to the investor in one of our financing funds to compensate for payments that the investor would be required to make to a certain third-party as a result of the investor not achieving a specified minimum internal rate of return in this fund, assessed annually. Although the investor has achieved the specified minimum internal rate of return to date, the amounts of any potential future payments under this guarantee depend on the amounts and timing of future distributions to the investor from the fund and the tax benefits that accrue to the investor from the fund's activities. Because of uncertainties associated with estimating the timing and amounts of future distributions to the investor, we cannot determine the potential maximum future payments that we could have to make under this guarantee. We may agree to similar guarantees in the future if market conditions require it. Any significant payments that we may be required to make under our guarantees could adversely affect our financial condition.

We face competition from both traditional energy companies and renewable energy companies.

The solar energy and renewable energy industries are both highly competitive and continually evolving as participants strive to distinguish themselves within their markets and compete with large utilities. We believe that our primary competitors are the traditional utilities that supply energy to our potential customers. We compete with these utilities primarily based on price, predictability of price and the ease by which customers can switch to electricity generated by our solar energy systems. If we cannot offer compelling value to our customers based on these factors, then our business will not grow. Utilities generally have substantially greater financial, technical, operational and other resources than we do. As a result of their greater size, these competitors may be able to devote more resources to the research, development, promotion and sale of their products or respond more quickly to evolving industry standards and changes in market conditions than we can. Utilities could also offer other value-added products and services that could help them compete with us even if the cost of electricity they offer is higher than ours. In addition, a majority of utilities' sources of electricity is non-solar, which may allow utilities to sell electricity more cheaply than electricity generated by our solar energy systems.

We also compete with solar companies in the downstream value chain of solar energy. For example, we face competition from purely finance driven organizations which then subcontract out the installation of solar energy systems, from installation businesses that seek financing from external parties, from large construction companies and utilities and increasingly from sophisticated electrical and roofing companies. Some of these competitors specialize in either the residential or commercial solar energy markets, and some may provide energy at lower costs than we do. Many of our competitors also have significant brand name recognition and have extensive knowledge of our target markets. Competitors have increasingly begun vertically integrating their operations to offer comprehensive products and services offerings similar to ours, and, recently, we have seen increased consolidation of competitors in our primary markets.

Projects for our significant commercial and government customers involve concentrated project risks that may cause significant changes in our financial results.

During any given financial reporting period, we typically have ongoing significant projects for commercial and governmental customers that represent a significant portion of our potential financial results for such period. For example, Walmart is a significant customer for which we have installed a substantial number of solar energy systems. These larger projects create concentrated operating and financial risks. The effect of recognizing revenue or other financial measures on the sale of a larger project, or the failure to recognize revenue or other financial measures as anticipated in a given reporting period because a project is not yet completed under applicable accounting rules by period end, may materially impact our quarterly or annual financial results. In addition, if construction, warranty or operational issues arise on a larger project, or if the timing of such projects unexpectedly shifts for other reasons, such issues could have a material impact on our financial results. If we are unable to successfully manage these significant projects in multiple markets, including our related internal processes and external construction management, or if we are unable to continue to attract such significant customers and projects in the future, our financial results could be harmed.

We depend on a limited number of suppliers of solar panels and other system components to adequately meet anticipated demand for our solar energy systems. Any shortage, delay or component price change from these suppliers could result in sales and installation delays, cancellations and loss of our ability to effectively compete.

We purchase solar panels, inverters and other system components from a limited number of suppliers, which makes us susceptible to quality issues, shortages and price changes. If we fail to develop, maintain and expand our relationships with existing or new suppliers, including our recent long-term manufacturing relationship with Panasonic, we may be unable to adequately meet anticipated demand for our solar energy systems or we may only be able to offer our systems at higher costs or after delays. If one or more of the suppliers that we rely upon to meet anticipated demand ceases or reduces production, we may be unable to satisfy this demand due to an inability to quickly identify alternate suppliers or to qualify alternative products on commercially reasonable terms.

In particular, there are a limited number of inverter suppliers. Once we design a system for use with a particular inverter, if that type of inverter is not readily available at an anticipated price, we may incur additional delay and expense to redesign the system.

In addition, production of solar panels involves the use of numerous raw materials and components. Several of these have experienced periods of limited availability, particularly polysilicon, as well as indium, cadmium telluride, aluminum and copper. The manufacturing infrastructure for some of these raw materials and components has a long lead time, requires significant capital investment and relies on the continued availability of key commodity materials, potentially resulting in an inability to meet demand for these components. The prices for these raw materials and components fluctuate depending on global market conditions and demand and we may experience rapid increases in costs or sustained periods of limited supplies.

In addition to purchasing from New York-based suppliers, we anticipate that we will need to purchase supplies globally in order to meet the anticipated production output of the Manufacturing Facility. Despite our efforts to obtain raw materials and components from multiple sources whenever possible, many of our suppliers may be single-source suppliers of certain components. If we are not able to maintain long-term supply agreements or identify and qualify multiple sources for raw materials and components, our access to supplies at satisfactory prices, volumes and quality levels may be harmed. We may also experience delivery delays of raw materials and components from suppliers in various global locations. In addition, we may be unable to establish alternate supply relationships or obtain or engineer replacement components in the short term, or at all, at favorable prices or costs. Qualifying alternate suppliers or developing our own replacements for certain components may be time-consuming and costly and may force us to make modifications to our product designs.

Our need to purchase supplies globally in order to meet the anticipated production output of the Manufacturing Facility and our continued international expansion further subjects us to risks relating to currency fluctuations. Any decline in the exchange rate of the U.S. dollar compared to the functional currency of our component suppliers could increase our component prices. In addition, the state of the financial markets could limit our suppliers' ability to raise capital if they are required to expand their production to meet our needs or satisfy their operating capital requirements. Changes in economic and business conditions, wars, governmental changes and other factors beyond our control or which we do not presently anticipate, could also affect our suppliers' solvency and ability to deliver components to us on a timely basis. Any of these shortages, delays or price changes could limit our growth, cause cancellations or adversely affect our profitability and ability to effectively complete in the markets in which we operate.

We act as the licensed general contractor for our customers and are subject to risks associated with construction, cost overruns, delays, regulatory compliance and other contingencies, any of which could have a material adverse effect on our business and results of operations.

We are a licensed contractor or use licensed subcontractors in every community we service, and we are responsible for every customer installation. For our residential projects, we are the general contractor, construction manager and installer. For our commercial projects, we are the general contractor and construction manager, and we have historically relied on licensed subcontractors to install these commercial systems. We may be liable to customers for any damage we cause to their home or facility and belongings or property during the installation of our systems. For example, we frequently penetrate our customers' roofs during the installation process and may incur liability for the failure to adequately weatherproof such penetrations following the completion of construction. In addition, shortages of skilled subcontractor labor for our commercial projects could significantly delay a project or otherwise increase our costs. Because our profit on a particular installation is based in part on assumptions as to the cost of such project, cost overruns, delays or other execution issues may cause us to not achieve our expected margins or not cover our costs for that project.

In addition, the installation of solar energy systems and energy-storage systems requiring building modifications are subject to oversight and regulation in accordance with national, state and local laws and ordinances relating to building codes, safety, utility interconnection and metering, environmental protection and related matters. It is difficult and costly to track the requirements of every individual authority having jurisdiction over our installations and to design solar energy systems to comply with these varying standards. Any new government regulations or utility policies pertaining to our systems may result in significant additional expenses to us and our customers and, as a result, could cause a significant reduction in demand for our systems.

Compliance with occupational safety and health requirements and best practices can be costly, and non-compliance with such requirements may result in potentially significant monetary penalties, operational delays and adverse publicity.

The installation of solar energy systems requires our employees to work at heights with complicated and potentially dangerous electrical systems. The evaluation and installation of our energy-storage and related products requires our employees to work in locations that may contain potentially dangerous levels of asbestos, lead or mold. We also maintain a fleet of thousands of vehicles that our employees use in the course of their work. There is substantial risk of serious injury or death if proper safety procedures are not followed. Our operations are subject to regulation under the U.S. Occupational Safety and Health Act, or OSHA, and equivalent state laws. Changes to OSHA requirements, or stricter interpretation or enforcement of existing laws or regulations, could result in

increased costs. If we fail to comply with applicable OSHA regulations, even if no work-related serious injury or death occurs, we may be subject to civil or criminal enforcement and be required to pay substantial penalties, incur significant capital expenditures or suspend or limit operations. In the past, we have had workplace accidents and received citations from OSHA regulators for alleged safety violations, resulting in fines and operational delays for certain projects. Any such accidents, citations, violations, injuries or failure to comply with industry best practices may subject us to adverse publicity, damage our reputation and competitive position and adversely affect our business.

Problems with product quality or performance may cause us to incur warranty expenses and performance guarantee expenses, may lower the residual value of our solar energy systems and adversely affect our financial performance and valuation.

Our solar energy system warranties are lengthy. Customers who buy energy from us under leases or power purchase agreements are covered by warranties equal to the length of the term of these agreements—typically 20 years for leases and power purchase agreements. Depending on the state where they live, customers who purchase our solar energy systems for cash are covered by a warranty up to 10 years in duration. We also make extended warranties available at an additional cost to customers who purchase our solar energy systems for cash. In addition, we provide a pass-through of the inverter and panel manufacturers' warranties to our customers, which generally range from 5 to 30 years. One of these third-party manufacturers could cease operations and no longer honor these warranties, leaving us to fulfill these potential obligations to our customers. For example, Evergreen Solar, Inc., one of our former solar panel suppliers, filed for bankruptcy in August 2011. Further, we provide a performance guarantee with our leased solar energy systems that compensates a customer on an annual basis if their system does not meet the electricity production guarantees set forth in their lease.

We rely upon assumptions and judgments based on our operating history and accelerated life cycle testing regarding a number of factors, including our anticipated rate of warranty claims and the durability, performance and reliability of our solar energy systems. Our assumptions could prove to be materially different from the actual long-term performance of our systems, causing us to incur substantial expense to repair or replace defective solar energy systems in the future or to compensate customers for systems that do not meet their production guarantees. Product failures or operational deficiencies would also reduce our revenue from power purchase agreements because they are dependent on system production. Any widespread product failures or operating deficiencies may damage our market reputation and adversely impact our financial results.

In addition, we amortize the costs of our solar energy systems over 30 to 35 years, which typically exceeds the period of the component warranties and the corresponding payment streams from our operating lease arrangements with our customers. In addition, we typically bear the cost of removing the solar energy systems at the end of the lease term. Furthermore, it is difficult to predict how future environmental regulations may affect the costs associated with the removal, disposal and recycling of our solar energy systems. Consequently, if the residual value of the systems is less than we expect at the end of the lease, after giving effect to any associated removal and redeployment costs, we may be required to accelerate all or some of the remaining unamortized expenses. This could materially impair our future operating results.

Compliance with environmental regulations can be expensive, and non-compliance with these regulations may result in adverse publicity and potentially significant monetary damages and fines.

We are required to comply with all foreign, federal, state and local laws and regulations regarding pollution control and protection of the environment. In addition, under some statutes and regulations, a government agency, or other parties, may seek recovery and response costs from operators of property where releases of hazardous substances have occurred or are ongoing, even if the operator was not responsible for such release and not otherwise at fault. While we and the State of New York have performed environmental diligence relating to the construction of the Manufacturing Facility, the site where the Manufacturing Facility is to be located is on the former site of Republic Steel and has been considered a "brownfield."

The operation of our manufacturing and research and development facilities, including in Hangzhou, China, Buffalo, New York and Fremont, California, involves the use of hazardous chemicals and materials which may subject us to liabilities for any releases or other failures to comply with applicable laws, regulations and policies. Any failure by us to maintain effective controls regarding the use of hazardous materials or to obtain and maintain all necessary permits could subject us to potentially significant fines and damages or interrupt our operations.

Product liability claims against us could result in adverse publicity and potentially significant monetary damages.

We would be exposed to product liability claims if one of our solar energy systems or other products injured any property or persons. Because solar energy systems and many of our other current and anticipated products are electricity-producing and storing devices, it is possible that property or persons could be harmed by our products for reasons including product malfunctions, defects or improper installation. We rely on our general liability insurance to cover product liability claims and have not obtained separate product liability insurance. Any product liability claim we face could be expensive to defend and could divert management's attention.

Any product liability claims against us and any resulting adverse outcomes could result in potentially significant monetary damages that could require us to make significant payments, as well as subject us to adverse publicity, damage our reputation and competitive position or adversely affect sales of our systems and other products.

The production and installation of solar energy systems depends heavily on suitable meteorological conditions. If meteorological conditions are unexpectedly unfavorable, the electricity production from our solar energy systems may be substantially below our expectations and our ability to timely deploy new systems may be adversely impacted.

The energy produced and revenue and cash receipts generated by a solar energy system depend on suitable solar and weather conditions, both of which are beyond our control. Furthermore, components of our systems, such as panels and inverters, could be damaged by severe weather, such as hailstorms or tornadoes. In these circumstances, we generally would be obligated to bear the expense of repairing or replacing the damaged solar energy systems that we own. Sustained unfavorable weather also could unexpectedly delay our installation of solar energy systems, leading to increased expenses and decreased revenue and cash receipts in the relevant periods. For example, certain states in which we operate, such as New York and Massachusetts, commonly experience inclement winter weather. Weather patterns could change, making it harder to predict the average annual amount of sunlight striking each location where we install. This could make our solar energy systems less economical overall or make individual systems less economical. Any of these events or conditions could harm our business, financial condition and results of operations.

Our business may be harmed if we fail to properly protect our intellectual property.

We believe that the success of our business depends in part on our proprietary technology, including our hardware, software, information, processes and know-how. We rely on many forms of intellectual property rights to secure our technology, including trade secrets and patents. We cannot be certain that we have adequately protected or will be able to adequately protect our technology, that our competitors will not be able to use our existing technology or develop similar technology independently, that any patents or other intellectual property rights held by us will be broad enough to protect our technology or that foreign intellectual property laws will adequately protect us. Moreover, our patents and other intellectual property rights may not provide us with a competitive advantage.

Despite our precautions, it may be possible for third-parties to obtain and use our intellectual property without our consent. Reverse engineering, unauthorized use or other misappropriation of our proprietary technology could enable third-parties to benefit from our technology without compensating us for doing so. In addition, our proprietary technology may not be adequately protected because:

- our systems may be subject to intrusions, security breaches or targeted thefts of our trade secrets;
- people may not be deterred from misappropriating our technology despite the existence of laws or contracts prohibiting it;
- unauthorized use of our intellectual property may be difficult to detect and expensive and time-consuming to remedy, and any remedies obtained may be inadequate to restore protection of our intellectual property;
- the laws of other countries in which we do business may offer less protection for our proprietary technology; and
- reports we may be required to file in connection with any government-sponsored research contracts may disclose some of our sensitive confidential information because they are or will be generally available to the public.

Any such activities or any other inabilities to adequately protect our proprietary rights could harm our ability to compete, to generate revenue and to grow our business.

Claims of patent and other intellectual property infringement are complex and their outcomes are uncertain, and the costs associated with such claims may be high and could harm our business.

Our success in operating our business depends largely on our ability to use and develop our proprietary technologies and manufacturing know-how without infringing or misappropriating the intellectual property rights of third-parties, many of whom have robust patent portfolios, greater capital resources and decades of manufacturing experience. Any claim of infringement by a third-party, even those without merit, could cause us to incur substantial legal costs defending against the claim and could distract our management and technical personnel from our business. In particular, the validity and scope of claims relating to photovoltaic technology patents may be highly uncertain because they involve complex scientific, legal and factual considerations and analysis. Furthermore, we could be subject to a judgment or voluntarily enter into a settlement, either of which could require us to pay substantial damages. A judgment or settlement could also include an injunction, a court order or other agreement that could prevent us from engaging in certain activities. In addition, we might elect or be required to seek a license for the use of third-party intellectual property, which may not be available on commercially reasonable terms or at all, or if available, the payments under such license may harm our operating results and financial condition. Alternatively, we may be required to develop non-infringing technology, redesign our products or alter our manufacturing

techniques and processes, each of which could require significant research and development efforts and expenses and may ultimately not be successful. Any of these events could seriously harm our business, operating results and financial condition.

We are subject to legal proceedings and regulatory inquiries and we may be named in additional claims or legal proceedings or become involved in regulatory inquiries, all of which are costly, distracting to our core business and could result in an unfavorable outcome or a material adverse effect on our business, financial condition, results of operations or the trading price for our securities.

We are involved in claims, legal proceedings (such as the class action and derivative lawsuits filed against us) and receive inquiries from government and regulatory agencies (such as the pending Treasury and Department of Labor investigations) that arise from our normal business activities. In addition, from time to time, third-parties may assert claims against us. We evaluate all claims, lawsuits and investigations with respect to their potential merits, our potential defenses and counter claims, settlement or litigation potential and the expected effect on us. In the event that we are involved in significant disputes or are the subject of a formal action by a regulatory agency, we could be exposed to costly and time-consuming legal proceedings that could result in any number of outcomes. Although outcomes of such actions vary, any claims, proceedings or regulatory actions initiated by or against us, whether successful or not, could result in expensive costs of defense, costly damage awards, injunctive relief, increased costs of business, fines or orders to change certain business practices, significant dedication of management time, diversion of significant operational resources or some other harm to our business. In any of these cases, our business, financial condition or results of operations could be negatively impacted.

We make a provision for a liability relating to legal matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. In our opinion, resolution of all current matters is not expected to have a material adverse impact on our business, financial condition or results of operations. However, depending on the nature and timing of any such controversy, an unfavorable resolution of a matter could materially affect our future business, financial condition or results of operations, or all of the foregoing, in a particular quarter.

We typically bear the risk of loss and the cost of maintenance and repair on solar systems that are owned or leased by our fund investors.

We typically bear the risk of loss and are generally obligated to cover the cost of maintenance and repair on any solar systems that we sell or lease to our fund investors. At the time we sell or lease a solar system to a fund investor, we enter into a maintenance services agreement where we agree to operate and maintain the system for a fixed fee that is calculated to cover our future expected maintenance costs. If our solar systems require an above-average amount of repairs or if the cost of repairing systems were higher than our estimate, we would need to perform such repairs without additional compensation. If our solar systems, a majority of which are located in California, are damaged in a natural disaster beyond our control, losses could be excluded, such as earthquake damage, or exceed insurance policy limits, and we could incur unforeseen costs that could harm our business and financial condition. We may also incur significant costs for taking other actions in preparation for, or in reaction to, such events. We purchase Property and Business Interruption insurance with industry standard coverage and limits approved by an investor's third-party insurance advisors to hedge against such risk, but such coverage may not cover our losses.

Any unauthorized disclosure or theft of personal customer information we gather, store and use could harm our reputation and subject us to claims or litigation.

We receive, store and use personal information of our customers, including names, addresses, e-mail addresses, credit information and other housing and energy use information. Unauthorized disclosure of such personal information could harm our business, whether through breach of our systems by an unauthorized party, employee theft or misuse, or otherwise. If we were subject to an inadvertent disclosure of such personal information or if a third-party were to gain unauthorized access to customer personal information in our possession, our operations could be seriously disrupted and we could be subject to claims or litigation arising from damages suffered by our customers. In addition, we could incur significant costs in complying with the multitude of federal, state and local laws regarding the unauthorized disclosure of personal customer information. Finally, any perceived or actual unauthorized disclosure of such information could harm our reputation, substantially impair our ability to attract and retain customers and have an adverse impact on our business.

Any failure to comply with laws and regulations relating to our interactions with current or prospective residential customers could result in negative publicity, claims, investigations, and litigation, and adversely affect our financial performance.

As the country's largest residential solar installer, we rely on our ability to engage in transactions with residential customers. In doing so, we must comply with numerous federal, state and local laws and regulations that govern matters relating to our interactions

with residential consumers, including those pertaining to privacy and data security, consumer financial and credit transactions, home improvement contracts, warranties and door-to-door solicitation. These laws and regulations change frequently and are interpreted by various federal, state and local regulatory bodies. Changes in these laws or regulations or their interpretation could dramatically affect how and where we conduct our business, acquire customers, and manage and use information we collect from and about current and prospective customers and the costs associated therewith.

Even though we may believe that we maintain effective compliance with all such laws and regulations, we may still be subject to claims, proceedings, litigation and investigations by private parties and regulatory authorities, and could be subject to substantial fines and negative publicity, each of which may materially and adversely affect our business and operations. For example, a putative class action was filed against us in November 2015 alleging violations of the federal Telephone Consumer Protection Act. We have incurred, and will continue to incur, significant expenses to comply with such laws and regulations, and increased regulation of matters relating to our interactions with residential consumers could require us to modify our operations and incur significant additional expenses, which could have an adverse effect on our business, financial condition and results of operations.

In addition, we are subject to federal, state and international laws relating to the collection, use, retention, security and transfer of personal information of our customers. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between one company and its subsidiaries. Several jurisdictions have passed new laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing requirements may cause us to incur costs or require us to change our business practices. Any failure by us, our affiliates or other parties with whom we do business to comply with a posted privacy policies or with other federal, state or international privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others, which could have a detrimental effect on our business, results of operations and financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES

Our corporate headquarters and executive offices are located in San Mateo, California, where we occupy approximately 68,025 square feet of office space under a lease that expires in December 2021, with a renewal option. We also lease a regional headquarters in Salt Lake City, Utah, as well as larger offices in San Francisco, San Rafael and Fremont, California. In addition, we lease sales offices, warehouses and manufacturing facilities across the United States and in Mexico and China. We also lease sales and support offices in Ontario, Canada. We believe that our existing facilities are adequate for our current needs and that we will be able to lease suitable additional or alternative space on commercially reasonable terms if and when we need it.

ITEM 3. LEGAL PROCEEDINGS

In July 2012, the Company, along with other companies in the solar energy industry, received a subpoena from the U.S. Treasury Department's Office of the Inspector General to deliver certain documents in the Company's possession that were dated, created, revised or referred to after January 1, 2007 and that relate to the Company's applications for U.S. Treasury grants or communications with certain other solar energy development companies or with certain firms that appraise solar energy property for U.S Treasury grant application purposes. The Inspector General and the Civil Division of the U.S. Department of Justice are investigating the administration and implementation of the U.S Treasury grant program relating to the fair market value of the solar energy systems that the Company submitted in U.S. Treasury grant applications. The Company has accrued a reserve for its potential liability associated with this ongoing investigation as of December 31, 2016.

In February 2013, two of the Company's financing funds filed a lawsuit in the United States Court of Federal Claims against the United States government, seeking to recover approximately $14.0 million that the United States Treasury was obligated to pay, but failed to pay, under Section 1603 of the American Recovery and Reinvestment Act of 2009. In February 2016, the government filed a motion seeking leave to assert a counterclaim against the two plaintiff funds on the grounds that the government, in fact, paid them more, not less, than they were entitled to as a matter of law. The Company believes that the government's claims are without merit and expects the plaintiff funds to litigate the case vigorously. Trial in the case is set for the latter half of 2017. The Company is unable to estimate the possible loss, if any, associated with this lawsuit.

On March 28, 2014, a purported stockholder class action lawsuit was filed in the United States District Court for the Northern District of California against the Company and two of its officers. The complaint alleges violations of federal securities laws, and seeks unspecified compensatory damages and other relief on behalf of a purported class of purchasers of the Company's securities from March 6, 2013 to March 18, 2014. After a series of amendments to the original complaint, the District Court dismissed the

amended complaint and entered a judgment in the Company's favor on August 9, 2016. The plaintiffs have filed a notice of appeal. The Company believes that the claims are without merit and intends to defend against this lawsuit vigorously. The Company is unable to estimate the possible loss, if any, associated with this lawsuit.

On June 5 and 11, 2014, stockholder derivative actions were filed in the Superior Court of California for the County of San Mateo, purportedly on behalf of the Company and against the board of directors, alleging that the board of directors breached its duties to the Company by failing to prevent the conduct alleged in the pending purported stockholder class action lawsuit. The Company and the individual board member defendants filed a motion to dismiss the complaint, which the Superior Court granted on December 17, 2015, while allowing the plaintiffs an opportunity to file an amended complaint to remedy the defects in the original complaint. On or about March 2, 2016, the plaintiffs informed the Company and the Superior Court that they had sold their shares in the Company during the pendency of the suit. Consequently, the plaintiffs no longer had standing to bring their lawsuit, which they voluntarily dismissed.

In June 2014, the Company along with Sunrun, Inc., or Sunrun, filed a lawsuit in the Superior Court of Arizona against the Arizona Department of Revenue, or DOR, challenging DOR's interpretation of Arizona state law to impose property taxes on solar energy systems that are leased by customers. On June 1, 2015, the Superior Court issued an order rejecting the interpretation of the Arizona state law under which the DOR had sought to tax leased solar energy systems. In that same order, the Superior Court held that a separate Arizona statute, which provides that such systems are deemed to have no value for purposes of calculating property tax, violated certain provisions of the Arizona state constitution. Both the DOR and the Company have appealed the Superior Court's ruling, and the Court of Appeals heard argument on November 15, 2016. The Company will continue to vigorously pursue its claims.

On March 2, 2015, the Company filed a lawsuit in the United States District Court for the District of Arizona against the Salt River Project Agricultural Improvement and Power District and the Salt River Valley Water Users' Association, or SRP, alleging that SRP's imposition of distribution charges and demand charges on new solar energy customers in its territory violates state and federal antitrust laws. On June 23, 2015, SRP moved to dismiss the complaint. On October 27, 2015, the District Court denied SRP's motion to dismiss in part and granted it in part. In particular, the District Court held that the Company may proceed on its antitrust claims against SRP to seek an injunction blocking SRP's new charges and may proceed with claims for damages under state laws other than antitrust laws. Furthermore, the District Court held that the Company may not recover monetary damages on its antitrust theories and dismissed two of its antitrust claims while allowing the others to proceed. Discovery has concluded. On September 20, 2016, the District Court entered a stay of the litigation while SRP appeals the District Court's earlier decision, holding that SRP is subject to state and federal antitrust laws. The Court of Appeals heard argument on November 18, 2016. The Company intends to pursue its claims vigorously.

In April 2015, Borrego Solar Systems Inc., or Borrego, commenced an arbitration against the Company alleging that the Company wrongfully terminated a construction services agreement. The Company engaged in discovery and participated in an arbitration hearing in February 2016. After the hearing, on April 12, 2016, the arbitrator entered an interim award in favor of Borrego and ultimately entered a final award in the amount of $2.0 million, which the Company has satisfied in full.

On September 18, 2015, a stockholder derivative action was filed in the Court of Chancery of the State of Delaware, purportedly on behalf of the Company and against the board of directors, alleging that the board of directors breached its duties to the Company by approving stock-based compensation to the non-employee directors that the plaintiff claims is excessive compared to the compensation paid to directors of peer companies. At the Company's 2016 annual meeting of stockholders, the non-employee director compensation plan was approved and ratified, including by a majority of the shares held by the disinterested stockholders of the Company. As a result, the case has been dismissed, and the matter has been resolved.

On September 21, 2015, the Company filed a lawsuit in the United States District Court for the District of Massachusetts against Seaboard Solar Operations LLC, or Seaboard, and its principal, Stuart Longman, alleging breaches of the various written contracts between the Company and Seaboard, fraud, conversion and unfair business practices. The Company sought a declaratory judgment that it owns and has the right to develop the specified projects and of damages of approximately $16.0 million. In December 2015, the Company settled the lawsuit in exchange for $16.1 million to be paid by Seaboard; upon making the payment, Seaboard will have the rights to the projects.

On November 6, 2015, a putative class action lawsuit, *Morris v. SolarCity*, was filed in the United States District Court for the Northern District of California against the Company. The complaint alleges that the Company made unlawful telephone marketing calls to the plaintiff and others, in violation of the federal Telephone Consumer Protection Act. The plaintiff seeks injunctive relief and statutory damages, on behalf of himself and a certified class. The Company filed a motion to dismiss the complaint, which the District Court denied on April 6, 2016. Following discovery, plaintiff filed a motion for class certification on December 15, 2016. Briefing on class certification is expected to be complete in late February 2017, and the certification motion will be heard in March 2017. SolarCity continues to believe that the claims are without merit and intends to defend itself vigorously. The Company has accrued a reserve for its potential liability associated with this matter and the *Gibbs* matter described below, as of December 31, 2016.

On June 1, 2016, a putative class action lawsuit, *Gibbs v. SolarCity*, alleging that the Company made unlawful telephone marketing calls in violation of the federal Telephone Consumer Protection Act, was filed against the Company in the United States District Court for the District of Massachusetts. The two named plaintiffs seek injunctive relief and statutory damages, on behalf of themselves and a certified class. The Company has moved to dismiss the complaint; the hearing on that motion was held on December 8, 2016. The Company believes that the claims are without merit and intends to defend itself vigorously. The Company has accrued a reserve for its potential liability associated with this matter and the *Morris* matter described above, as of December 31, 2016

On August 15, 2016, a purported stockholder class action lawsuit was filed in the United States District Court for the Northern District of California against the Company, two of its officers and a former officer. The complaint alleges that the Company made projections of future sales and installations that the Company failed to achieve and that these projections were fraudulent when made. The plaintiffs claim violations of federal securities laws and seek unspecified compensatory damages and other relief on behalf of a purported class of purchasers of the Company's securities from May 5, 2015 to February 16, 2016. The Company believes that the claims are without merit and intends to defend against them vigorously. The Company is unable to estimate the possible loss, if any, associated with this lawsuit.

On September 26, 2016, Cogenra Solar Inc., or Cogenra, and Khosla Ventures III, L.P. filed a lawsuit in the United States District Court for the Northern District of California alleging that the Company and its subsidiary, Silevo Inc., had misappropriated trade secrets obtained from Cogenra during interactions governed by non-disclosure agreements and during the course of diligence in 2014, when the Company considered acquiring Cogenra. The Company believes that the claims are without merit and intends to defend itself vigorously. The Company is unable to estimate the possible loss, if any, associated with this lawsuit.

From time to time, claims have been asserted, and may in the future be asserted, including claims from regulatory authorities related to labor practices and other matters. Such assertions arise in the normal course of the Company's operations. The resolution of any such assertions or claims cannot be predicted with certainty. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the Company's results of operations, prospects, cash flows, and financial position.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER REPURCHASES OF EQUITY SECURITIES

On November 21, 2016, Tesla, Inc. completed its acquisition of SolarCity Corporation. Following this date, all SolarCity Corporation common stock is held by Tesla, Inc., and no established public trading market exists for SolarCity Corporation common stock.

SolarCity Corporation has never declared or paid dividends on its capital stock. Any decision to declare and pay dividends in the future will be made at the discretion of SolarCity Corporation's board of directors.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

Omitted pursuant to General Instruction I(2)(a) of Form 10-K

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the accompanying notes to those statements included elsewhere in this annual report on Form 10-K. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Risk Factors" and elsewhere in this annual report on Form 10-K. Furthermore, the following discussion and analysis has been abbreviated pursuant to General Instruction I(2)(a) of Form 10-K.

Results of Operations

The following table sets forth selected consolidated statements of operations data for each of the periods indicated (in thousands).

	Year Ended December 31,		
	2016	2015	2014
Revenue:			
Operating leases and solar energy systems incentives	$ 422,326	$ 293,543	$ 173,636
Solar energy systems and components sales	308,016	106,076	81,395
Total revenue	730,342	399,619	255,031
Cost of revenue:			
Operating leases and solar energy systems incentives	253,653	165,546	92,920
Solar energy systems and components sales	225,269	115,245	83,512
Total cost of revenue	478,922	280,791	176,432
Gross profit	251,420	118,828	78,599
Operating expenses:			
Sales and marketing	442,590	457,185	238,608
General and administrative	228,980	244,508	156,426
Pre-production expense	69,306	—	—
Restructuring and other	105,922	—	—
Research and development	54,963	64,925	19,162
Total operating expenses	901,761	766,618	414,196
Loss from operations	(650,341)	(647,790)	(335,597)
Interest and other expenses:			
Interest expense – recourse debt	42,162	28,145	14,522
Interest expense – non-recourse debt	74,527	29,905	13,537
Other interest expense and amortization of debt discounts and fees, net	39,965	33,889	27,699
Other expense, net	13,660	25,767	10,611
Total interest and other expenses	170,314	117,706	66,369
Loss before income taxes	(820,655)	(765,496)	(401,966)
Income tax benefit (provision)	308	(3,326)	26,736
Net loss	(820,347)	(768,822)	(375,230)
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	(1,059,121)	(710,492)	(319,196)
Net income (loss) attributable to parent	$ 238,774	$ (58,330)	$ (56,034)

Revenue

	Year Ended December 31,			Change 2016 vs. 2015		Change 2015 vs. 2014	
(Dollars in thousands)	2016	2015	2014	$	%	$	%
Revenue							
Operating leases and solar energy systems incentives	$ 422,326	$ 293,543	$ 173,636	$ 128,783	44%	$ 119,907	69%
Solar energy systems and components sales	308,016	106,076	81,395	201,940	190%	24,681	30%
Total revenue	$ 730,342	$ 399,619	$ 255,031	$ 330,723	83%	$ 144,588	57%

2016 Compared to 2015

Total revenue increased by $330.7 million, or 83%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015.

Operating leases and solar energy systems incentives revenue increased by $128.8 million, or 44%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase was primarily attributable to the increase in solar energy systems placed in service under leases and power purchase agreements. The average aggregate megawatt production capacity of solar energy systems placed in service under leases during the year ended December 31, 2016 increased by 47% as compared to the average during the year ended December 31, 2015. In addition, the megawatt hours produced by solar energy systems under power purchase agreements increased by 68% during the year ended December 31, 2016, as compared to the year ended December 31, 2015. The impact of the installed base on the increase in revenue varied in part by the mix between solar energy systems under leases, for which revenue is recognized on a straight-line basis over the lease term, and under power purchase agreements, for which revenue is recognized based on energy produced and when the systems were placed in service.

Revenue from sales of solar energy systems and components increased by $201.9 million, or 190%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase was primarily due to the $124.6 million increase in revenue from solar energy systems sold under Solar Loans and the $19.6 million increase in revenue from cash sales to residential customers. Additionally, revenue from MyPower contracts, which are recognized into revenue as cash is received, resulting from the cumulative increase in sales under MyPower contracts, increased by $69.3 million. These increases were partially offset by the $5.4 million decrease in revenue from sales to commercial customers and the $6.2 million decrease in revenue from sales to government entities. In the third quarter of 2016, we completely discontinued offering MyPower contracts, and we have been offering Solar Loans as the replacement, which are accounted for as sales of solar energy systems and components. Revenue from sales of solar energy systems and components has varied considerably in the past, and as we expect that direct sales and Solar Loans will increase as a percentage of future customer contracts, we expect revenue from sales of solar energy systems and components to increase in future periods as well.

2015 Compared to 2014

Total revenue increased by $144.6 million, or 57%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014.

Operating leases and solar energy systems incentives revenue increased by $119.9 million, or 69%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was primarily attributable to the increase in solar energy systems placed in service under leases and power purchase agreements in 2015. The in-period average of the aggregate megawatt production capacity of solar energy systems placed in service under leases and power purchase agreements during the year ended December 31, 2015 increased by 79% as compared to the in-period average during the year ended December 31, 2014. This significant growth was attributable to our continued success in the installation and operation of solar energy systems under lease and power purchase agreements in new and existing markets. In addition, revenue from the monetization of ITCs increased by $19.8 million, for the year ended December 31, 2015 as compared to the year ended December 31, 2014, as we recognized such revenue from more solar energy systems in the year ended December 31, 2015. We recognize revenue from the monetization of ITCs on the anniversary date of each solar energy system's placed in service date as ITC recapture provisions expire.

Revenue from sales of solar energy systems and components increased by $24.7 million, or 30%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was primarily due to the $29.8 million increase in revenue from MyPower contracts, the $13.0 million increase in revenue from outright sales to residential customers, the $4.0 million increase in revenue from sales to government entities, the $1.1 million increase in revenue from sales by Ilioss, which we acquired in August 2015, the $0.8 million increase in revenue from sales of battery storage products and the $0.3 million increase in revenue from sales of Silevo products as we fulfilled open customer orders following our acquisition of Silevo. These increases were partially offset by the $9.0 million decrease in revenue from sales of Zep Solar products, the $8.7 million decrease in revenue from long-term solar energy system sales contracts recognized on the percentage-of-completion basis and the $7.5 million decrease in revenue from sales to commercial customers. Revenue from sales of solar energy systems and components has varied considerably and will continue to vary considerably from period to period due to the successful adoption of our MyPower product and the unpredictability of sales to commercial customers, long-term solar energy system sales contracts recognized on the percentage-of-completion basis and sales to government entities.

Cost of Revenue, Gross Profit and Gross Profit Margin

(Dollars in thousands)	Year Ended December 31, 2016	2015	2014	Change 2016 vs. 2015 $	%	Change 2015 vs. 2014 $	%
Operating leases and solar energy systems incentives	$ 253,653	$ 165,546	$ 92,920	$ 88,107	53%	72,626	78%
Solar energy systems and components sales	225,269	115,245	83,512	110,024	95%	31,733	38%
Total cost of revenue	$ 478,922	$ 280,791	$ 176,432	$ 198,131	71%	$ 104,359	59%

2016 Compared to 2015

Cost of operating leases and solar energy systems incentives revenue increased by $88.1 million, or 53%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase was primarily due to the increase in depreciation expense arising from the higher aggregate cost of solar energy systems placed in service. Additionally, costs incurred on customer contracts that were ultimately canceled, costs from our dedicated operations and maintenance department and other costs to maintain our operating leases also increased for the year ended December 31, 2016, as compared to the year ended December 31, 2015.

Cost of solar energy systems and component sales increased by $110.0 million, or 95%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase was primarily due to the introduction of our Solar Loan product offering and an increase in residential sales.

2015 Compared to 2014

Cost of operating leases and solar energy systems incentives revenue increased by $72.6 million, or 78%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was primarily due to greater depreciation expense arising from the higher aggregate cost of solar energy systems placed in service. Additionally, we incurred $15.5 million of increased period costs related to customer contract cancellations, our dedicated operations and maintenance department and customer warranties. We also incurred $7.5 million of increased expenses due to the continuing amortization of intangible assets related to the Silevo acquisition in the third quarter of 2014.

Cost of solar energy systems and component sales increased by $31.7 million, or 38%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was partly due to higher sales of solar energy systems and components and also the recognition of $17.0 million of warranty expenses associated with sales under MyPower contracts. The warranty expense for a sale under a MyPower contract is recorded upon the delivery of the solar energy system while the associated revenue and cost of revenue are recognized over the term of the MyPower contract as the customer pays-down the principal balance of the MyPower loan. We expect to continue to record negative gross margins in future periods as sales under MyPower contracts increase and revenue is recognized over the term of the MyPower contracts.

Operating Expenses

(Dollars in thousands)	Year Ended December 31, 2016	2015	2014	Change 2016 vs. 2015 $	%	Change 2015 vs. 2014 $	%
Sales and marketing	$ 442,590	$ 457,185	$ 238,608	$ (14,595)	(3)%	$ 218,577	92%
General and administrative	228,980	244,508	156,426	(15,528)	(6)%	88,082	56%
Pre-production expense	69,306	—	—	69,306			
Restructuring and other	105,922	—	—	105,922			
Research and development	54,963	64,925	19,162	(9,962)	(15)%	45,763	239%
Total operating expenses	$ 901,761	$ 766,618	$ 414,196	$ 135,143	18%	$ 352,422	85%

2016 Compared to 2015

Sales and marketing expense decreased by $14.6 million, or 3%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This decrease was primarily due to our restructuring and the corresponding decrease in the average number of personnel in sales and marketing personnel and our focus on increasing the efficiency of sales operations.

General and administrative expense decreased by $15.5 million, or 6%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. The decrease was primarily due to reversal of previously accrued Silevo contingent consideration and Founder Awards as a result of the Tesla acquisition. The decrease was offset by the increase in the average number of personnel in

general and administrative departments and an increase in professional services fees primarily due to legal costs. However, as a result of our restructuring activities, the number of personnel in general and administrative departments has decreased since June 30, 2016.

Costs that we incur at our Fremont, California manufacturing facility prior to attaining commercial production (including salaries, other personnel-related costs, raw materials costs and other production costs for solar modules run through the production line during this period) are treated as pre-production expense. We commenced operations at our Fremont, California manufacturing facility in the fourth quarter of 2015.

We recorded $105.9 million of restructuring and other expenses in the year ended December 31, 2016, primarily consisting of certain amounts due to us since 2014 related to an uninstalled commercial project (but not related to any customer contracts or loans) that were determined to be unrecoverable, certain acquired sales and marketing-related intangible assets that became fully impaired, a revision of the useful lives of our manufacturing equipment in China, one-time employee termination benefit expenses due to our restructuring activities and transaction related expenses arising from our merger with Tesla.

Research and development expense decreased by $10.0 million, or 15%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This decrease was primarily due to the decreased level of research and development activities undertaken by Silevo as such expenses are now recorded in pre-production.

2015 Compared to 2014

Sales and marketing expense increased by $218.6 million, or 92%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was primarily due to more expansive sales and marketing efforts, which have resulted in increases in the number of customers, system installations and system deployments. This initiative increased the average number of personnel in sales and marketing departments by 103% for the year ended December 31, 2015, as compared to the year ended December 31, 2014. As a result of this growth in headcount, employee compensation costs increased by $137.9 million (of which $7.8 million was related to stock-based compensation) and facilities and operations costs increased by $25.7 million. In addition, promotional marketing costs increased by $53.5 million as part of this broadening of the scope of our marketing activities, including enhanced digital marketing activities to increase brand awareness and customer reach. In the future, we expect to reduce our sales and marketing expenses, on a per Watt basis, by focusing on our more efficient sales channels, renegotiating or eliminating our higher cost sales channels and other cost efficiency initiatives.

General and administrative expense increased by $88.1 million, or 56%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was primarily due to the increase in the average number of personnel in general and administrative departments, which grew by 103% for the year ended December 31, 2015, as compared to the year ended December 31, 2014. As a result of this growth in headcount, employee compensation costs increased by $45.5 million (of which $4.2 million was related to stock-based compensation) and facilities and operations costs increased by $13.6 million. In addition, professional services fees increased by $22.9 million primarily due to increased legal costs and accounting services fees. Furthermore, Ilioss, which we acquired in August 2015, incurred $1.7 million of general and administrative expenses in the year ended December 31, 2015.

Research and development expense increased by $45.8 million, or 239%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was primarily due to the greater level of research and development activities undertaken by Silevo and the corresponding increase in the average number of personnel in research and development departments, which grew by 227%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014.

Other Income and Expenses

	Year Ended December 31,			Change 2016 vs. 2015		Change 2015 vs. 2014	
(Dollars in thousands)	**2016**	**2015**	**2014**	**$**	**%**	**$**	**%**
Interest expense - recourse debt	$ 42,162	$ 28,145	$ 14,522	$ 14,017	50%	$ 13,623	94%
Interest expense - non-recourse debt	74,527	29,905	13,537	44,622	149%	16,368	121%
Other interest expense and amortization of debt discounts and fees, net	39,965	33,889	27,699	6,076	18%	6,190	22%
Other expense, net	13,660	25,767	10,611	(12,107)	(47)%	15,156	143%
Total interest and other expenses, net	$ 170,314	$ 117,706	$ 66,369	$ 52,608	45%	$ 51,337	77%

2016 Compared to 2015

Interest expense – recourse debt, increased by $14.0 million, or 50%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase was primarily due to 19% increase in the average carrying balances of interest bearing recourse debt for the year ended December 31, 2016, as compared to the year ended December 31, 2015, as well as the increase in interest rates for the year ended December 31, 2016, as compared to the year ended December 31, 2015.

Interest expense – non-recourse debt increased by $44.6 million, or 149%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase was primarily due to the 98% increase in the average carrying balances of interest bearing nonrecourse debt for the year ended December 31, 2016, as compared to the year ended December 31, 2015, as well as the increase in interest rates for the year ended December 31, 2016, as compared to the year ended December 31, 2015.

Other interest expense and amortization of debt discounts and fees, net, increased by $6.1 million, or 18%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase was primarily due to the higher average balances of debt discounts and issuance costs related to our debt for the year ended December 31, 2016, as compared to the year ended December 31, 2015.

Other expense, net, decreased by $12.1 million, or 47%, for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This decrease was mainly due to the $3.0 million loss from the changes in the fair value of our interest rate swaps in 2016 as compared to the $11.6 million loss from the changes in the fair value of our interest rate swaps in 2015. We account for our interest rate swaps as non-hedging derivatives. Additionally, we incurred $2.4 million loss from settlement of a matter and the $5.3 million increase in accretion on the contingent consideration related to the Silevo acquisition in 2015.

2015 Compared to 2014

Interest expense – recourse debt, increased by $13.6 million, or 94%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was primarily due to the 90% increase in the average carrying balances of interest bearing recourse debt for the year ended December 31, 2015, as compared to the year ended December 31, 2014.

Interest expense – non-recourse debt, increased by $16.4 million, or 121%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was primarily due to the 146% increase in the average carrying balances of interest bearing non-recourse debt for the year ended December 31, 2015, as compared to the year ended December 31, 2014.

Other interest expense and amortization of debt discounts and fees, net, increased by $6.2 million, or 22%, This increase was primarily due to the higher average balances of debt discounts and issuance costs related to our debt for the year ended December 31, 2015, as compared to the year ended December 31, 2014.

Other expense, net, increased by $15.2 million, or 143%, for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This increase was mainly due to the $11.6 million loss from interest rate swaps related to our debt facilities, the $2.4 million loss from the settlement for a matter and the $5.3 million increase in accretion on the contingent consideration related to the Silevo acquisition, in the year ended December 31, 2015. We have entered into forward interest rate swaps in order to fix the variable interest rates for each draw under certain credit facilities. We account for interest rate swaps as non-hedging derivatives. This increase was partially offset by the $3.1 million decrease in loss on debt extinguishment.

Net Loss Attributable to Noncontrolling Interests and Redeemable Noncontrolling Interests

	Year Ended December 31,			Change 2016 vs. 2015		Change 2015 vs. 2014	
(Dollars in thousands)	**2016**	**2015**	**2014**	**$**	**%**	**$**	**%**
Net loss attributable to noncontrolling interests and redeemable noncontrolling	$(1,059,121)	$ (710,492)	$ (319,196)	$ (348,629)	(49)%	$ (391,296)	(123)%

The net loss attributable to noncontrolling interests and redeemable noncontrolling interests represents the share of net loss that was allocated to the investors in the joint venture financing funds. This amount was determined as the change in the investors' interests in the joint venture financing funds between the beginning and end of each reported period, calculated primarily using the HLBV method, less any capital contributions net of any capital distributions. The calculation depends on the specific contractual liquidation provisions of each joint venture financing fund and is generally affected by, among other factors, the tax attributes allocated to the investors including tax bonus depreciation and ITCs or U.S. Treasury grants in lieu of the ITCs, the existence of guarantees of minimum returns to the investors by us and the allocation of taxable income or losses including provisions that govern the level of deficits that can be funded by the investors in a liquidation scenario. The calculation is also affected by the cost of the

assets sold to the joint venture financing funds, which forms the book basis of the net assets allocated to the investors assuming a liquidation scenario. Generally, significant loss allocations to the investors have arisen in situations where there was a significant difference between the fair value and the cost of the assets sold to the joint venture financing funds in a particular period accompanied by the absence of guarantees of minimum returns to the investors by us, since the capital contributions by the investors were based on the fair value of the assets while the calculation is based on the cost of the assets. The existence of guarantees of minimum returns to the investors by us and limits on the level of deficits that the investors are contractually obligated to fund in a liquidation scenario reduce the amount of losses that could be allocated to the investors. In addition, the redeemable noncontrolling interest balance is at least equal to the redemption amount.

2016 Compared to 2015

The net loss allocation to noncontrolling interests and redeemable noncontrolling interests for the year ended December 31, 2016 was $1,059.1 million compared to the $710.5 million net loss allocation for year ended December 31, 2015. The net loss allocation for the year ended December 31, 2016 was primarily due to a $959.7 million loss allocation from financing funds into which we were selling or contributing assets and $99.4 million loss allocation related to financing funds that were fully funded and that we were not selling or contributing additional assets. The net loss allocation for the year ended December 31, 2015 was primarily due to a $701.9 million loss allocation from financing funds into which we were selling or contributing assets.

2015 Compared to 2014

The net loss allocation to noncontrolling interests and redeemable noncontrolling interests for the year ended December 31, 2015 was $710.5 million compared to the $319.2 million net loss allocation for year ended December 31, 2014. The net loss allocation for the year ended December 31, 2015 was primarily due to a $701.9 million loss allocation from financing funds into which we were selling or contributing assets. The net loss allocation for the year ended December 31, 2014 was primarily due to a $345.4 million loss allocation from financing funds into which we were selling or contributing assets. This loss allocation was partially offset by a $25.9 million income allocation related to financing funds that were fully funded and that we were not selling or contributing additional assets.

Liquidity and Capital Resources

We finance our operations, including the costs of acquisition and installation of solar energy systems, mainly through a variety of financing fund arrangements that we have formed with fund investors, recourse and non-recourse credit facilities, other corporate borrowing and cash generated from our operations.

As described below under "Financing Fund Commitments," as of December 31, 2016, we had $481.4 million of available commitments from our fund investors. Our ability to draw-down the available commitments from our fund investors is dependent on our ability to originate and transfer qualifying solar energy systems and the associated customer lease or power purchase agreements into the financing funds. Some of the financing funds have restrictions regarding the mix of customer leases or power purchase agreements that can be assigned to them, as well as measures of minimum customer credit. We expect to be able to draw-down on substantially all of the available commitments from our fund investors within the next 12 months. The proceeds from our financing fund arrangements are available for general working capital purposes.

As of December 31, 2016, we had $411.8 million of unused borrowing capacity available under our credit facilities (or $468.0 million including the $56.2 million available under the MyPower revolving credit facility), subject to our continuing compliance with the terms and covenants of our credit facilities. Of this amount, $387.4 million was available under our non-recourse debt facilities (excluding the MyPower revolving credit facility).

The secured revolving credit facility requires us to have unused commitments and a sufficient borrowing base in order to both borrow additional amounts and to allow borrowed funds to remain outstanding. We anticipate maintaining a sufficient borrowing base to support substantially all of the committed capital under our secured revolving credit facility in the next 12 months; such borrowings are available for general working capital purposes.

Our non-recourse debt facilities require us to have unused commitments, to provide qualified security (such as solar energy systems or our interests in financing funds) and to remain in compliance with the terms of the facilities in order to make additional borrowings. In the event that we fail to meet specific terms for additional borrowings, our ability to borrow unused commitments may be suspended until we resume compliance. We anticipate that our operations will provide sufficient qualified security and that we will be in compliance with the terms to draw on substantially all of the committed capital under our non-recourse debt facilities in the next 12 months; such borrowings are available for general working capital purposes, subject to nominal reserve requirements.

The MyPower revolving credit facility is only available for funding costs associated with sales under MyPower arrangements; as we have discontinued offering MyPower arrangements, we do not expect to incur additional borrowings under the MyPower revolving credit facility.

In future periods, we expect to incur additional capital expenses as we invest further in our solar roof and other module manufacturing operations, technology platform and proprietary mounting and racking hardware. As a result of our manufacturing relationship with Panasonic Corporation and its affiliates, or Panasonic, we anticipate significantly reduced expenditures related to manufacturing operations at the Riverbend Manufacturing Facility in Buffalo, New York.

We have agreed to spend or incur approximately $5 billion in combined capital, operational expenses, costs of goods sold and other costs in the State of New York during the 10-year period following full production of the Riverbend Manufacturing Facility. Generally, these obligations commence following the manufacturing facility completion date, which occurs upon the arrival of manufacturing equipment, the receipt of certain permits and other specified items. These committed amounts commence with $130.0 million in cumulative investments in the first year after the completion date, and we are required to pay a $41.2 million "program payment" in any year that we do not meet these requirements. We anticipate meeting these obligations through our operations at the Riverbend Manufacturing Facility and other operations within the State of New York, as well as Panasonic's manufacturing operations at the Riverbend Manufacturing Facility, over the 10-year term of the agreement, and we do not believe that we face a significant risk of default.

The amount of our liquidity and capital resources as of a given date is also dependent upon, among other things, the relative timing of our investments in solar energy systems and the timing of subsequent draws on our financing funds and utilization of our credit facilities. As a result, the amount of our liquidity and capital resources may significantly fluctuate within a reporting period by amounts that are not reflected by comparing our cash and cash equivalents balances at each balance sheet date. For example, solar energy systems deployed towards the end of a fiscal quarter may not be transferred to a financing fund in sufficient time for the funds to be received and reflected in our cash and cash equivalents balance as of the quarter-end. In addition, any delays in large commercial projects are also likely to impact our liquidity and capital resources, for example, in situations where we have already spent funds to purchase components for solar energy systems that are installed in subsequent periods. As our business grows and cumulative system installations increase, the amounts by which our liquidity and capital resources may fluctuate within a quarter are likely to increase.

Our operating plans and expected cash requirements for the next 12 months are primarily dependent on the cost, number and size of future solar energy systems that we expect to install and our ability to successfully monetize the related future customer payments, as well as the mix of sales that involve upfront cash proceeds versus long-term contracted payments. We believe that the cash requirements of our operations (including repayment or refinancing of our recourse indebtedness) will be satisfied for at least the next 12 months by: (i) our existing cash and cash equivalents, (ii) an improving mix of direct system sales and Solar Loan contracts that provide upfront cash proceeds, (iii) the funds available under our recourse and non-recourse credit facilities (excluding amounts available under the MyPower revolving credit facility) that may be drawn-down during this period, (iv) the funds available under our existing financing funds that may be drawn-down during this period, (v) the continued interest of investors in, and our track record of, entering into new financing funds and non-recourse debt facilities, (vi) reduced customer acquisition costs as a result of our acquisition by Tesla and (vii) improved access to capital as a result of our acquisition by Tesla.

As of December 31, 2016, we were in compliance with all financial covenants contained in our debt agreements, and we expect to remain in compliance with these financial covenants. However, if our assumptions prove inaccurate and we are unable to adjust our operating plan to comply with these financial covenants, then we could be in default under our debt agreements. In that circumstance, the amounts outstanding under our debt agreements could be accelerated, which would negatively impact our liquidity and capital resources. In particular, under the terms of our secured revolving credit facility, the occurrence of an event of default with respect to a credit facility (including both recourse and non-recourse indebtedness) having an aggregate principal amount of more than $10.0 million could trigger a cross-default that could result in the acceleration of or the taking of other remedies under our secured revolving credit facility. In addition, the occurrence of an event of default that results in the acceleration of more than $50.0 million of recourse indebtedness could trigger a cross-default that could result in the acceleration of or the taking of other remedies under our convertible senior notes.

Under the terms of our secured revolving credit facility, we are subject to the following financial covenants:

Interest Coverage Ratio: We are obligated to maintain an interest coverage ratio of at least 1.5-to-1 as of the end of each fiscal quarter. The interest coverage ratio is measured by dividing (a) an amount equal to the excess of (i) our trailing 12-month consolidated gross profit over (ii) 20% of our trailing 12-month consolidated general and administrative expenses by (b) our unconsolidated trailing 12-month cash interest charges excluding interest charges on non-recourse debt.

Unencumbered Liquidity: We are obligated to maintain unencumbered liquidity at an amount equal to at least 20% of the sum of (a) the amount committed under our secured revolving credit facility plus (b) the aggregate outstanding principal amount of Solar Bonds that mature prior to our secured revolving credit facility's maturity date, as of the end of each month. However, unencumbered liquidity must always be greater than $50.0 million, as of the end of each month. Unencumbered liquidity is defined as our average daily balance of cash and cash equivalents, in deposit accounts controlled by the borrower or the guarantors of our secured revolving credit facility.

Under the terms of a borrowing by one of our subsidiaries, the subsidiary is obligated to maintain a debt service coverage ratio of at least 1.05-to-1 as of certain specified dates and periods. The debt service coverage ratio is measured by dividing (a) the specified cash receipts of the subsidiary less the specified cash payments made by the subsidiary in the period by (b) the scheduled principal payments due and payable by the subsidiary plus the interest payments due and payable by the subsidiary, at the end of the period.

Financing Fund Commitments

We have financing fund commitments from several fund investors that we can draw-on in the future upon the achievement of specific funding criteria. As of December 31, 2016, we had entered into 63 financing funds that had a total of $481.4 million of undrawn committed capital. We allocate customer leases, power purchase agreements and the related economic benefits associated with the solar energy systems to our financing funds, in accordance with the criteria of each fund. Upon such allocation and our satisfaction of the conditions precedent, we are able to draw-down on the financing fund commitments. Once received, these proceeds provide working capital to deliver solar energy systems to our customers and form part of our general working capital.

Contractual Obligations

Set forth below is information concerning our contractual commitments and obligations as of December 31, 2016 (in thousands).

	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Long-term borrowings	$ 3,580,405	$ 828,584	$ 1,461,115	$ 376,749	$ 913,957
Firm purchase commitments	376,563	335,166	18,224	7,702	15,471
Interest(1)	598,609	131,179	167,736	105,625	194,069
Lease obligations	253,105	60,306	88,945	38,371	65,483
Performance guarantee	6,611	6,611	—	—	—
Total	$ 4,815,293	$ 1,361,846	$ 1,736,020	$ 528,447	$ 1,188,980

(1) Excludes interest payments on sale-leaseback financing obligations, which is included in lease obligations.

Off-Balance Sheet Arrangements

We include in our consolidated financial statements all assets, liabilities and results of operations of the financing fund arrangements that we have entered into. We have not entered into any other transactions that have generated relationships with unconsolidated entities, financial partnerships or SPEs. Accordingly, we do not have any off-balance sheet arrangements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks as part of our ongoing business operations. Our primary exposures include changes in interest rates because certain borrowings bear interest at floating rates plus a specified margin. For fixed-rate debt, interest rate changes do not affect our earnings or cash flows. Conversely, for floating-rate debt, interest rate changes generally impact our earnings and cash flows, assuming other factors are held constant. Pursuant to our risk management policies, in certain cases, we utilize derivative instruments to manage some of our exposures to fluctuations in interest rates on certain floating-rate debt. We do not enter into any derivative instruments for trading or speculative purposes. In addition, we entered into capped call option agreements that could potentially reduce the dilution to our parent's common stock upon the conversion of our outstanding convertible senior notes.

Changes in economic conditions could result in higher interest rates, thereby increasing our interest expense and reducing our funds available for capital investments, operations or other purposes. In addition, we must use a substantial portion of our cash inflows to service our borrowings, which may affect our ability to make future acquisitions or capital expenditures. A hypothetical 10% change in our interest rates would have increased our interest expense for the year ended December 31, 2016 and 2015 by $5.2 million and $2.3 million, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

SOLARCITY CORPORATION

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The supplementary data required by Item 8 is presented under Part II, Item 7 and is incorporated herein by reference.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder of
SolarCity Corporation

We have audited the accompanying consolidated balance sheets of SolarCity Corporation (the Company) as of December 31, 2016 and 2015, and the related consolidated statements of operations, equity, and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of SolarCity Corporation at December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP
Los Angeles, California
March 1, 2017

SolarCity Corporation
Consolidated Balance Sheets
(In Thousands, Except Shares and Share Par Values)

	December 31,	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	$ 290,710	$ 382,544
Short-term investments	—	11,311
Restricted cash	74,717	39,864
Accounts receivable (net of allowances for doubtful accounts of $14,829 and $4,292 as of December 31, 2016 and December 31, 2015, respectively)	66,949	33,998
Rebates receivable (net of reserves of $2,803 and $2,207 as of December 31, 2016 and December 31, 2015, respectively)	10,339	11,545
Inventories	172,713	342,951
Prepaid expenses and other current assets	77,497	79,925
Total current assets	692,925	902,138
Solar energy systems, leased and to be leased – net	5,828,755	4,375,553
Property, plant and equipment – net	244,736	262,387
Build-to-suit lease asset under construction	807,593	284,500
Goodwill and intangible assets – net	461,989	517,109
MyPower customer notes receivable, net of current portion	517,244	488,461
MyPower deferred costs	232,369	215,708
Other assets	345,145	241,262
Total assets(1)	$ 9,130,756	$ 7,287,118

	December 31,	
	2016	2015
Liabilities and equity		
Current liabilities:		
Accounts payable	$ 207,643	$ 364,973
Distributions payable to noncontrolling interests and redeemable noncontrolling interests	24,085	26,769
Payable to parent – net	11,693	—
Current portion of deferred U.S. Treasury grant income	14,348	15,336
Accrued and other current liabilities	265,987	276,506
Current portion of deferred revenue	124,722	103,078
Current portion of long-term debt	617,588	180,048
Current portion of solar bonds	16,582	13,189
Current portion of solar bonds issued to related parties	165,000	165,120
Current portion of solar asset-backed notes	19,628	13,864
Current portion of financing obligation	52,031	34,479
Total current liabilities	1,519,307	1,193,362
Deferred revenue, net of current portion	1,086,417	1,010,491
Long-term debt, net of current portion	1,092,426	1,006,595
Solar bonds, net of current portion	50,179	35,678
Solar bonds issued to related parties, net of current portion	100,100	100
Convertible senior notes	873,194	881,585
Convertible senior notes issued to related parties	11,669	12,975
Solar asset-backed notes, net of current portion	549,205	395,667
Long-term deferred tax liability	481	1,373
Financing obligation, net of current portion	81,917	68,940
Deferred U.S. Treasury grant income, net of current portion	343,264	382,283
Build-to-suit lease liability	807,593	284,500
Other liabilities and deferred credits	339,951	279,006
Total liabilities(1)	6,855,703	5,552,555
Commitments and contingencies (Note 23)		
Redeemable noncontrolling interests in subsidiaries	343,623	320,935
Parent's equity:		
Common stock: as of December 31, 2016, $0.01 par value, 1.0 million shares authorized, 100 shares issued and outstanding; as of December 31, 2015, $0.0001 par value, 1 billion shares authorized, 97.9 million shares issued and outstanding	—	10
Additional paid-in capital	1,301,201	1,195,246
Accumulated deficit	(77,916)	(316,690)
Total parent's equity	1,223,285	878,566
Noncontrolling interests in subsidiaries	708,145	535,062
Total equity	1,931,430	1,413,628
Total liabilities and equity	$ 9,130,756	$ 7,287,118

(1) SolarCity Corporation's, or the Company's, consolidated assets as of December 31, 2016 and 2015 included $4,133,472 and $2,866,882, respectively, of assets of variable interest entities, or VIEs, that can only be used to settle obligations of the VIEs. These assets included solar energy systems, leased and to be leased – net of $3,975,214 and $2,779,363 as of December 31, 2016 and 2015, respectively; property, plant and equipment – net of $0 and $21,960 as of December 31, 2016 and 2015, respectively; cash and cash equivalents of $44,091 and $33,537 as of December 31, 2016 and 2015, respectively; inventory of $0 and $1,000 as of December 31, 2016 and 2015, respectively; restricted cash, current, of $20,916 and $522 as of December 31, 2016 and 2015, respectively; accounts receivable – net of $16,023 and $10,267 as of December 31, 2016 and 2015, respectively; prepaid expenses and other current assets of $7,532 and $2,713 as of December 31, 2016 and 2015, respectively; rebates receivable of $6,646 and $6,220 as of December 31, 2016 and 2015, respectively; and other assets of $63,050 and $11,300 as of December 31, 2016 and 2015, respectively. The Company's consolidated liabilities as of December 31, 2016 and 2015 included $596,802 and $33,475, respectively, of liabilities of VIEs whose creditors have no recourse to the Company. These liabilities included distributions payable to noncontrolling interests in subsidiaries and redeemable noncontrolling interests in subsidiaries of $24,085 and $26,769 as of December 31, 2016 and 2015, respectively; accounts payable of $20 and $1,954 as of December 31, 2016 and 2015, respectively; customer deposits of $1,169 and $2,928 as of December 31, 2016 and 2015, respectively; accrued liabilities and other payables of $8,524 and $1,824 as of December 31, 2016 and 2015, respectively; current portion of long-term debt of $87,467 and $0 as of December 31, 2016 and 2015, respectively; and long-term debt, net of current portion, of $475,537 and $0 as of December 31, 2016 and 2015, respectively.

See the further description in Note 13, *VIE Arrangements*.

See accompanying notes.

SolarCity Corporation
Consolidated Statements of Operations
(In Thousands)

	Year Ended December 31,		
	2016	2015	2014
Revenue:			
Operating leases and solar energy systems incentives	$ 422,326	$ 293,543	$ 173,636
Solar energy systems and components sales	308,016	106,076	81,395
Total revenue	730,342	399,619	255,031
Cost of revenue:			
Operating leases and solar energy systems incentives	253,653	165,546	92,920
Solar energy systems and components sales	225,269	115,245	83,512
Total cost of revenue	478,922	280,791	176,432
Gross profit	251,420	118,828	78,599
Operating expenses:			
Sales and marketing	442,590	457,185	238,608
General and administrative	228,980	244,508	156,426
Pre-production expense	69,306	—	—
Restructuring and other	105,922	—	—
Research and development	54,963	64,925	19,162
Total operating expenses	901,761	766,618	414,196
Loss from operations	(650,341)	(647,790)	(335,597)
Interest and other expenses:			
Interest expense – recourse debt	42,162	28,145	14,522
Interest expense – non-recourse debt	74,527	29,905	13,537
Other interest expense and amortization of debt discounts and fees, net	39,965	33,889	27,699
Other expense, net	13,660	25,767	10,611
Total interest and other expenses	170,314	117,706	66,369
Loss before income taxes	(820,655)	(765,496)	(401,966)
Income tax benefit (provision)	308	(3,326)	26,736
Net loss	(820,347)	(768,822)	(375,230)
Net loss attributable to noncontrolling interests and redeemable noncontrolling interests	(1,059,121)	(710,492)	(319,196)
Net income (loss) attributable to parent	$ 238,774	$ (58,330)	$ (56,034)

See accompanying notes.

SolarCity Corporation
Consolidated Statements of Equity
(In Thousands)

	Common Stock		Additional Paid-In	Accumulated	Total Parent's	Noncontrolling Interests in	Total
	Shares	Amount	Capital	Deficit	Equity	Subsidiaries	Equity
Balance at January 1, 2014	91,009	$ 10	$ 819,914	$ (202,326)	$ 617,598	$ 186,817	$ 804,415
Contributions from noncontrolling interests	—	—	—	—	—	517,471	517,471
Issuance of common stock upon acquisition of Silevo	2,284	—	137,958	—	137,958	—	137,958
Issuance of restricted stock units upon acquisition of Silevo	—	—	132	—	132	—	132
Purchase of capped call options	—	—	(65,203)	—	(65,203)		(65,203)
Stock-based compensation expense	—	—	88,936	—	88,936	—	88,936
Issuance of common stock upon exercise of stock options for cash	3,176	—	20,255	—	20,255	—	20,255
Issuance of common stock upon vesting of restricted stock units	52	—	—	—	—	—	—
Acquisition of noncontrolling interest in subsidiaries	—	—	2,000	—	2,000	—	2,000
Net loss	—	—	—	(56,034)	(56,034)	(178,124)	(234,158)
Transfers to redeemable noncontrolling interests in subsidiaries	—	—	—	—	—	(25,248)	(25,248)
Distributions to noncontrolling interests	—	—	—	—	—	(90,974)	(90,974)
Balance at December 31, 2014	96,521	$ 10	$ 1,003,992	$ (258,360)	$ 745,642	$ 409,942	$ 1,155,584
Contributions from noncontrolling interests	—	—	—	—	—	681,994	681,994
Tax benefit of stock option exercises	—	—	63,019	—	63,019	—	63,019
Stock-based compensation expense	—	—	116,585	—	116,585	—	116,585
Issuance of common stock upon exercise of stock options for cash	951	—	11,650	—	11,650	—	11,650
Issuance of common stock to employees and board members upon vesting of restricted stock units	392	—	—	—	—	—	—
Net loss	—	—	—	(58,330)	(58,330)	(451,999)	(510,329)
Distributions to noncontrolling interests	—	—	—	—	—	(104,875)	(104,875)
Balance at December 31, 2015	97,864	10	1,195,246	(316,690)	878,566	535,062	1,413,628
Contributions from noncontrolling interests	—	—	—	—	—	847,979	847,979
Tax impact of stock option exercises	—	—	(11,650)	—	(11,650)	—	(11,650)
Stock-based compensation expense	—	—	74,775	—	74,775	—	74,775
Issuance of common stock upon exercise of stock options for cash	605	—	4,072	—	4,072	—	4,072
Issuance of common stock to employees and board members upon vesting of restricted stock units	1,150	—	—	—	—	—	—
Issuance of stock to settle accrued compensation	—	—	631	—	631	—	631
Issuance of stock on settlement of Silevo contingent consideration	1,514	—	34,170	—	34,170	—	34,170
Common stock purchased by Tesla, Inc. and retired	(101,133)	(10)	(1,297,244)	—	(1,297,254)	—	(1,297,254)
Issuance of common stock to Tesla, Inc.	100	—	1,297,254	—	1,297,254	—	1,297,254
Stock compensation expense for Tesla, Inc. stock	—	—	485	—	485	—	485
Reclassification of capped call options	—	—	3,462	—	3,462	—	3,462
Net income (loss)	—	—	—	238,774	238,774	(573,553)	(334,779)
Distributions to noncontrolling interests	—	—	—	—	—	(101,343)	(101,343)
Balance at December 31, 2016	100	$ —	$ 1,301,201	$ (77,916)	$ 1,223,285	$ 708,145	$ 1,931,430

See accompanying notes.

SolarCity Corporation
Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended December 31,		
	2016	2015	2014
Operating activities:			
Net loss	$ (820,347)	$ (768,822)	$ (375,230)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation, amortization and write-offs	308,773	166,653	97,880
Change in fair value of interest rate swaps	2,954	11,560	—
Non-cash interest and other expense	(76,023)	16,427	13,631
Stock-based compensation, net of amounts capitalized	49,988	86,369	65,562
Tax impact of stock option exercises	11,650	(63,019)	—
Loss on extinguishment of long-term debt	798	1,093	4,533
Deferred income taxes	(892)	(527)	(26,680)
Non-cash reduction in financing obligation	(50,342)	(48,132)	(48,837)
Loss on disposal of property, plant and equipment and construction in progress	1,798	3,840	1,404
Changes in operating assets and liabilities:			
Restricted cash	(91,388)	(48,650)	(17,699)
Accounts receivable	(32,951)	(11,049)	945
Rebates receivable	1,206	18,476	(9,890)
Inventories	170,582	(125,337)	(97,347)
Prepaid expenses and other current assets	4,701	(24,485)	(23,155)
MyPower deferred costs	(17,067)	(202,899)	(13,571)
Other assets	(27,607)	(70,016)	(18,872)
Accounts payable	(149,686)	125,472	112,480
Payable to parent company, net	5,115	—	—
Accrued and other liabilities	132,826	131,657	(20,944)
Deferred revenue	67,135	11,505	137,941
Net cash used in operating activities	(508,777)	(789,884)	(217,849)
Investing activities:			
Payments for the cost of solar energy systems, leased and to be leased	(1,611,010)	(1,665,641)	(1,162,963)
Purchase of property, plant and equipment	(62,895)	(176,540)	(22,892)
Purchases of short-term investments	—	(44,592)	(167,397)
Proceeds from sales and maturities of short-term investments	11,243	170,737	28,764
Acquisition of business, net of cash acquired	—	(9,509)	1,874
Payments for the acquisition of noncontrolling interests	(13,664)	—	—
Payments for settlements of interest rate swaps	(13,003)	—	—
Other investments	—	(1,189)	(22,200)
Net cash used in investing activities	(1,689,329)	(1,726,734)	(1,344,814)

	Year Ended December 31,		
	2016	2015	2014
Financing activities:			
Investment fund financings, bank and other borrowings:			
Borrowings under long-term debt	1,376,177	1,093,261	369,801
Repayments of long-term debt	(866,946)	(215,933)	(336,557)
Proceeds from issuance of solar bonds	32,436	47,146	3,122
Proceeds from issuance of solar bonds issued to related parties	265,010	165,020	530
Repayments of borrowings under solar bonds	(14,827)	(1,820)	—
Repayments of borrowings under solar bonds issued to related parties	(165,110)	(330)	—
Proceeds from issuance of solar asset-backed notes	221,035	119,790	262,880
Repayments of borrowings under solar asset-backed notes	(64,090)	(15,863)	(5,932)
Payment of deferred purchase consideration	—	(3,747)	(2,206)
Proceeds from financing obligation	69,007	43,125	44,563
Repayments of financing obligation	(481)	(5,259)	(12,460)
Repayment of capital lease obligations	(10,318)	(6,036)	(2,772)
Proceeds from investments by noncontrolling interests and redeemable noncontrolling interests in subsidiaries	1,420,819	1,097,487	777,963
Distributions paid to noncontrolling interests and redeemable noncontrolling interests in subsidiaries	(148,862)	(109,511)	(117,125)
Proceeds from U.S. Treasury grants	—	—	342
Net cash provided by financing activities before equity and convertible senior notes issuances	2,113,850	2,207,330	982,149
Equity issuances and convertible senior notes issuances:			
Proceeds from issuance of convertible senior notes	—	99,805	552,765
Proceeds from issuance of convertible senior notes issued to related parties	—	12,975	—
Purchase of capped call options	—	—	(65,203)
Proceeds from exercise of stock options	4,072	11,650	20,255
Tax impact of stock option exercises	(11,650)	63,019	—
Net cash provided by equity issuances and convertible senior notes issuances	(7,578)	187,449	507,817
Net cash provided by financing activities	2,106,272	2,394,779	1,489,966
Net decrease in cash and cash equivalents	(91,834)	(121,839)	(72,697)
Cash and cash equivalents, beginning of period	382,544	504,383	577,080
Cash and cash equivalents, end of period	$ 290,710	$ 382,544	$ 504,383
Supplemental disclosures of cash flow information:			
Cash paid during the period for interest	$ 107,157	$ 53,971	$ 22,702
Cash paid during the period for taxes, net of refunds	$ 11,221	$ 2,846	$ 1,881

See accompanying notes.

1. Organization

SolarCity Corporation, or the Company, was incorporated as a Delaware corporation on June 21, 2006. The Company is primarily engaged in the design, manufacture, installation and sale or lease of solar energy systems, or sale of electricity generated by solar energy systems. The Company's headquarters are located in San Mateo, California.

On November 21, 2016, the Company was acquired by and now operates as a wholly owned subsidiary of Tesla, Inc., or Tesla. Pursuant to the terms of the merger agreement, each share of the Company's common stock then outstanding was converted into 0.11 shares of Tesla's common stock, or the Exchange Ratio. The Company's outstanding option and restricted stock unit awards were also converted into corresponding equity awards of Tesla's common stock based on the Exchange Ratio, with the awards retaining the same vesting and other terms and conditions as in effect immediately prior to the merger.

2. Summary of Significant Accounting Policies and Procedures

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles, or GAAP, and reflect the accounts and operations of the Company and those of its subsidiaries in which the Company has a controlling financial interest. In accordance with the provisions of Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, 810, *Consolidation*, the Company consolidates any variable interest entity, or VIE, of which it is the primary beneficiary. The Company forms VIEs with its financing fund investors in the ordinary course of business in order to facilitate the funding and monetization of certain attributes associated with its solar energy systems. The typical condition for a controlling financial interest ownership is holding a majority of the voting interests of an entity; however, a controlling financial interest may also exist in entities, such as VIEs, through arrangements that do not involve controlling voting interests. ASC 810 requires a variable interest holder to consolidate a VIE if that party has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company does not consolidate a VIE in which it has a majority ownership interest when the Company is not considered the primary beneficiary. The Company has determined that it is the primary beneficiary of a number of VIEs (see Note 13, *VIE Arrangements*). The Company evaluates its relationships with all the VIEs on an ongoing basis to ensure that it continues to be the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation. In addition, the consolidated financial statements reflect the Company's historical amounts and balances and do not reflect pushdown accounting from the acquisition by Tesla.

Reclassifications

Certain prior period balances have been reclassified to conform to the current period presentation. In particular, the consolidated statements of operations have been expanded to separately present net interest expense between (i) interest expense on recourse debt excluding the amortization of any debt discounts or fees, (ii) interest expense on non-recourse debt excluding the amortization of any debt discounts or fees and (iii) all other net interest expense including the amortization of all debt discounts and fees.

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Management regularly makes significant estimates and assumptions regarding the selling price of undelivered elements for revenue recognition purposes, the collectability of accounts and rebates receivable, the valuation of inventories, the labor costs for long-term contracts used as a basis for determining the percentage of completion for such contracts, the fair values and residual values of solar energy systems subject to leases, the accounting for business combinations, the fair values and useful lives of acquired tangible and intangible assets, the fair value of contingent consideration payable under business combinations, the useful lives of solar energy systems, property, plant and equipment, the determination of accrued warranty, the determination of accrued liability for solar energy system performance guarantees, the determination of lease pass-through financing obligations, the discount rates used to determine the fair values of investment tax credits, the valuation of stock-based compensation, the determination of valuation allowances associated with deferred tax assets, asset impairment, the valuation of build-to-suit lease assets, the fair value of interest rate swaps, the fair value of capped call options, the fair value of convertible senior note conversion features and other items. Management bases its estimates on historical experience and on various other assumptions believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ materially from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents. The Company maintains cash and cash equivalents, which consist principally of demand deposits with high credit-quality financial institutions. The Company has exposure to credit risk to the extent cash and cash equivalent balances, including any restricted cash balances on deposit, exceed amounts covered by federal deposit insurance. The Company believes that its credit risk is not significant.

Restricted Cash

Restricted cash includes cash received from certain fund investors that had not been released for use by the Company, cash held to service certain payments under various secured debt facilities, including management fee, principal and interest payments, and balances collateralizing outstanding letters of credit, outstanding credit card borrowing facilities and obligations under certain operating leases.

Accounts Receivable

Accounts receivable primarily represent trade receivables from billings and sales to residential and commercial customers recorded at net realizable value. The Company maintains an allowance for doubtful accounts to reserve for potentially uncollectible accounts receivable. The Company reviews its accounts receivable by aging category to identify significant customer balances with known disputes or collection issues. In determining the allowance, the Company makes judgments about the creditworthiness of a majority of its customers based on ongoing credit evaluations. The Company also considers its historical level of credit losses and current economic trends that might impact the level of future credit losses. The Company writes off accounts receivable when they are deemed uncollectible.

Customer Notes Receivable

In the fourth quarter of 2014, the Company launched MyPower, a program that offered residential customers the option to finance the purchase of solar energy systems through a 30-year loan provided by a wholly owned subsidiary of the Company. The Company ceased offering MyPower in the third quarter of 2016. During the periods in which MyPower was offered, in order to qualify for a loan, a customer had to pass the Company's credit evaluation process, and the loans are secured by the solar energy systems financed. The outstanding loan balances that remain from when MyPower was offered, net of any allowance for potentially uncollectible amounts, are presented on the consolidated balance sheets as a component of prepaid expenses and other current assets for the current portion and as customer notes receivable, net of current portion, for the long-term portion. In determining the allowance and credit quality for customer loans under MyPower, the Company identifies significant customers with known disputes or collection issues and also considers its historical level of credit losses and current economic trends that might impact the level of future credit losses. Customer notes receivable that are individually impaired are charged-off as a write-off of allowance for losses. As of December 31, 2016 and 2015, there were no significant customers with known disputes or collection issues, and the amount of potentially uncollectible amounts was insignificant. Accordingly, the Company did not establish an allowance for losses against customer notes receivable. In addition, there were no material non-accrual or past due customer notes receivable as of December 31, 2016 and 2015.

Rebates Receivable

Rebates receivable represent rebates due from utility companies and government agencies. These receivables include rebates that have been assigned to the Company by its cash customers on state-approved solar energy system installations sold to the customers and also uncollected incentives from state and local government agencies for solar energy system installations that have been leased to customers or are used to generate and sell electricity to customers under power purchase agreements. For the rebates assigned to the Company by its customers, the Company assumes the responsibility for the application and collection of the rebate. The processing cycle for these rebates and incentives involves a multi-step process in which the Company accumulates and submits information required by the utility company or state agency necessary for the collection of the rebate. The entire process typically can take up to several months to complete. The Company recognizes rebates receivable upon the solar energy system passing inspection by the utility or authority having jurisdiction after completion of system installation. The Company maintains an allowance to reserve for potentially uncollectible rebates. In determining the allowance, the Company makes judgments based on the length of period that a rebate amount has been outstanding and reasons for the delays in collecting the rebate.

Derivatives

In the second quarter of 2015, the Company began entering into fixed-for-floating interest rate swap agreements to swap variable interest payments on certain debt for fixed interest payments, as required by its lenders. The Company has not designated any interest rate swaps as hedging instruments. Accordingly, all interest rate swaps are recognized at fair value on the consolidated balance sheets within other assets or other liabilities and deferred credits, with any changes in fair value recognized as other income or expense in the consolidated statements of operations and with any cash flows recognized as investing activities in the consolidated statements of cash flows.

Upon the acquisition by Tesla, the Company now accounts for its convertible senior notes' conversion features and capped call options as derivatives (see Note 12, *Indebtedness*). The Company has not designated these derivatives as hedging instruments. Accordingly, these derivatives are recognized at fair value on the consolidated balance sheets within other assets or other liabilities and deferred credits, with any changes in fair value recognized as other income or expense in the consolidated statements of operations and with any cash flows recognized as financing activities in the consolidated statements of cash flows.

As of and for the year ended December 31, 2016, the Company had derivatives outstanding as follows (in thousands):

	Aggregate Notional Amount	Gross Asset at Fair Value	Gross Liability at Fair Value	Gross Gains	Gross Losses
Interest rate swaps	$ 789,620	$ 10,619	$ 12,109	$ 49,266	$ 52,216
Convertible senior note conversion features	$ 909,000	$ —	$ 19,400	$ —	$ 5,100
Capped call options	745,377 shares	$ 5,252	$ —	$ 1,789	$ —

As of and for the year ended December 31, 2015, the Company had derivatives outstanding as follows (in thousands):

	Aggregate Notional Amount	Gross Asset at Fair Value	Gross Liability at Fair Value	Gross Gains	Gross Losses
Interest rate swaps	$ 640,628	$ —	$ 11,544	$ —	$ 11,544

Concentrations of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments, accounts receivable, customer notes receivable, rebates receivable and interest rate swaps. The associated risk of concentration for cash and cash equivalents is mitigated by banking with creditworthy institutions. At certain times, amounts on deposit exceed federal deposit insurance limits. The associated risk of concentration for short-term investments is mitigated by holding a diversified portfolio of highly rated short-term investments. The associated risk of concentration for accounts receivable and customer notes receivable is mitigated by placing liens on the related solar energy systems and performing periodic and ongoing credit evaluations of the Company's customers. Rebates receivable are due from various states and local governments as well as various utility companies. The associated risk of concentration for interest rate swaps is mitigated by transacting with several highly rated multinational banks. The Company maintains reserves for any amounts that it considers to be uncollectable.

Fair Value of Financial Instruments

ASC 820*, Fair Value Measurements*, clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

ASC 820 requires that the valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes inputs that may be used to measure fair value as follows:

- Level 1—Observable inputs that reflect quoted prices for identical assets or liabilities in active markets.
- Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The assets and liabilities carried at fair value on a recurring basis included cash equivalents, short-term investments, capped call options, interest rate swaps, convertible senior note conversion features and contingent consideration. As of December 31, 2016, their fair values were as follows (in thousands):

	Level 1	Level 2	Level 3
Cash equivalents:			
Money market funds	$ 3,438	$ —	$ —
Other assets:			
Capped call options	$ —	$ 5,252	$ —
Liabilities:			
Interest rate swaps	$ —	$ 1,490	$ —
Convertible senior note conversion features	$ —	$ 19,400	$ —

As of December 31, 2015, their fair values were as follows (in thousands):

	Level 1	Level 2	Level 3
Cash equivalents:			
Money market funds	$ 69,080	$ —	$ —
Short-term investments:			
Corporate debt securities	$ —	$ 9,311	$ —
Asset-backed securities	$ —	$ 2,000	$ —
Liabilities:			
Interest rate swaps	$ —	$ 11,544	$ —
Contingent consideration	$ —	$ —	$ 123,008

The Company classified its money market funds within Level 1 because their fair values are based on their quoted market prices. The Company classified its corporate debt securities, asset-backed securities, capped call options, interest rate swaps and convertible senior note conversion features within Level 2 because their fair values are determined using alternative pricing sources or models that utilized market observable inputs, including interest rates, share prices and volatilities and default rates. The Company classified its contingent consideration within Level 3 because its fair value is determined using unobservable probability estimates and unobservable estimated discount rates applicable to the acquisition. During the years ended December 31, 2016, 2015 and 2014, there were no transfers between the levels of the fair value hierarchy.

The contingent consideration is dependent on the achievement of the specified production milestones by the acquired business, Silevo. The Company determined the fair value of the contingent consideration using a probability-weighted expected return methodology that considers the timing and probabilities of achieving these milestones and uses discount rates that reflect the appropriate cost of capital. The Company reassesses the valuation assumptions each reporting period, with any changes in the fair value accounted for in the consolidated statements of operations. The fair value of the contingent consideration is directly proportional to the estimated probabilities of achieving these milestones.

As of March 31, 2016, the Company determined that the first milestone was achieved and adjusted the accrued contingent consideration balance associated with the first milestone to the full amount payable of $48.3 million. On May 5, 2016, the Company issued 1.6 million shares of its common stock, valued at $34.2 million based on its stock price on the issuance date, to settle the liability. Accordingly, the Company recognized a gain of $14.1 million upon the settlement of the liability associated with the first milestone, which is included as an offset to general and administrative expense.

As of December 31, 2016, the Company determined that the two remaining milestones will not be achieved by Silevo. As a result, the Company changed the estimated probabilities and adjusted the accrued contingent consideration balance to $0, for the two remaining milestones. Accordingly, the Company recognized a gain of $84.0 million, which is included as an offset to general and administrative expense.

As of December 31, 2015, the estimated probabilities ranged from 90% to 95%, the estimated discount rates ranged from 5% to 7%, $42.9 million was included under accrued and other current liabilities on the consolidated balance sheets and $80.1 million was included under other liabilities and deferred credits on the consolidated balance sheets.

The following table summarizes the activity of the Level 3 contingent consideration balance in the years ended December 31, 2016, 2015 and 2014 (in thousands):

Balance at January 1, 2015	$ 117,197
Change in fair value	5,811
Balance at December 31, 2015	123,008
Settlement of liability	(34,170)
Change in fair value	(88,838)
Balance at December 31, 2016	$ —

The Company's financial instruments that are not carried at fair value include accounts receivable, customer notes receivable, rebates receivable, accounts payable, customer deposits, distributions payable to noncontrolling interests and redeemable noncontrolling interests, the participation interest, solar asset-backed notes, solar loan-backed notes, convertible senior notes, Solar Bonds and long-term debt. The carrying values of these financial instruments other than customer notes receivable, the participation interest, solar asset-backed notes, solar loan-backed notes, convertible senior notes, Solar Bonds and long-term debt approximated their fair values due to the fact that they were short-term in nature as of December 31, 2016 and 2015 and 2014.

The Company estimates the fair value of convertible senior notes based on their last actively traded prices (Level 1) or market-observable inputs (Level 2). The Company estimates the fair value of customer notes receivable, the participation interest, solar asset-backed notes, solar loan-backed notes, Solar Bonds and long-term debt based on rates currently offered for instruments with similar maturities and terms (Level 3). The following table presents their estimated fair values and their carrying values (in thousands):

	December 31, 2016		December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Participation interest	$ 16,713	$ 15,025	$ 15,919	$ 14,525
Solar asset-backed notes	$ 438,002	$ 428,551	$ 409,531	$ 432,797
Solar loan-backed notes	$ 130,831	$ 132,129	$ —	$ —
Convertible senior notes	$ 884,863	$ 773,100	$ 894,560	$ 842,752
MyPower customer notes receivable	$ 523,944	$ 513,002	$ 493,510	$ 493,510
Long-term debt	$ 1,710,014	$ 1,728,670	$ 1,186,643	$ 1,186,643
Solar bonds	$ 331,861	$ 330,530	$ 214,087	$ 214,087

Goodwill

Goodwill represents the difference between the purchase price and the aggregate fair value of the identifiable assets acquired and the liabilities assumed in a business combination. The Company assesses goodwill impairment annually in the fourth quarter and whenever events or changes in circumstances indicate that the carrying value of goodwill may exceed its fair value at the consolidated-level, which is the sole reporting unit. When assessing goodwill for impairment, the Company considers its market value adjusted for a control premium and, if necessary, the Company's discounted cash flow model, which involves significant assumptions and estimates, including the Company's future financial performance, weighted-average cost of capital and interpretation of currently enacted tax laws. Circumstances that could indicate impairment and require the Company to perform an impairment test include a significant decline in the Company's financial results, a significant decline in the Company's market value relative to its net book value, an unanticipated change in competition or the Company's market share and a significant change in the Company's strategic plans.

Inventories

Inventories include raw materials that include silicon wafers, process gasses, chemicals and other consumables used in solar cell production, solar cells, photovoltaic panels, inverters, mounting hardware and miscellaneous electrical components. Inventories also include work in process that includes raw materials partially installed and direct and indirect capitalized installation costs. Raw

materials and work in process are stated at the lower of cost or market (on a first-in-first-out basis). Work in process primarily relates to solar energy systems that will be sold to customers, which are under construction and have yet to pass inspection.

The Company also evaluates its inventory reserves on a quarterly basis and writes down the value of inventories for estimated excess and obsolete inventories based upon assumptions about future demand and market conditions.

Solar Energy Systems, Leased and To Be Leased

The Company is the operating lessor of the solar energy systems under leases that qualify as operating leases. The Company accounts for the leases in accordance with ASC 840, *Leases*. To determine lease classification, the Company evaluates lease terms to determine whether there is a transfer of ownership or bargain purchase option at the end of the lease, whether the lease term is greater than 75% of the useful life, or whether the present value of minimum lease payments exceed 90% of the fair value at lease inception. The Company utilizes periodic appraisals to estimate useful life and fair values at lease inception, and residual values at lease termination. Solar energy systems are stated at cost, less accumulated depreciation.

As of July 1, 2016, Management increased its estimate of the useful lives of new solar energy systems from 30 years to 35 years. This change-in-estimate was the result of new engineering studies of recently deployed solar energy systems across the industry. The Company applied this change-in-estimate on a prospective basis to solar energy systems placed in service on or after July 1, 2016.

Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the respective assets as follows.

	Useful Lives
Solar energy systems leased to customers	30 to 35 years
Initial direct costs related to customer solar energy system lease acquisition costs	Lease term (10 to 20 years)

Solar energy systems held for lease to customers are installed systems pending interconnection with the respective utility companies and will be depreciated as solar energy systems leased to customers when the respective systems have been interconnected and placed in service. Solar energy systems under construction represents systems that are under installation, which will be depreciated as solar energy systems leased to customers when the respective systems are completed, interconnected and subsequently leased to customers. Initial direct costs related to customer solar energy system lease acquisition costs are capitalized and amortized over the term of the related customer lease agreements.

Presentation of Cash Flows Associated with Solar Energy Systems

The Company classifies cash flows associated with solar energy systems in accordance with ASC 230, *Statement of Cash Flows.* The Company determines the appropriate classification of cash payments related to solar energy systems depending on the activity that is likely to be the predominant source of cash flows for the item being paid for. Accordingly, the Company presents payments made in a period for costs incurred to install solar energy systems that will be leased to customers, including the payments for cost of the inventory that is utilized in such systems, as investing activities in the consolidated statement of cash flows. Payments made for inventory that will be utilized for solar energy systems that will be sold to customers are presented as cash flows from operations in the consolidated statement of cash flows.

Property, Plant and Equipment

Property, plant and equipment, including leasehold improvements, are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the respective assets as follows.

	Useful Lives
Furniture and fixtures	3-7 years
Vehicles	5 years
Computer hardware and software	3-10 years
Manufacturing & lab equipment	2 to 3 years
Buildings	20 years
Land use rights	50 years

Leasehold improvements are amortized over the shorter of the lease term or their estimated useful lives, currently seven years. Repairs and maintenance costs are expensed as incurred. Upon disposition, the cost and related accumulated depreciation of the assets are removed from property, plant and equipment and the resulting gain or loss is reflected in the consolidated statements of operations.

Long-Lived Assets

The Company's long-lived assets include property, plant and equipment, solar energy systems, leased and to be leased, and intangible assets acquired through business combinations. Furthermore, the Company is deemed to be the owner, for accounting purposes, during the construction phase of certain long-lived assets under build-to-suit lease arrangements because of its involvement with the construction, its exposure to any potential cost overruns and its other commitments under the arrangements. In these cases, the Company recognizes a build-to-suit lease asset under construction and a corresponding build-to-suit lease liability on the consolidated balance sheets.

In accordance with ASC 360, *Property, Plant, and Equipment*, the Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of a long-lived asset, or group of assets, as appropriate, may not be recoverable. If the aggregate undiscounted future net cash flows expected to result from the use and the eventual disposition of a long-lived asset is less than its carrying value, then the Company would recognize an impairment loss based on the discounted future net cash flows.

Capitalization of Software Costs

For costs incurred in development of internal use software, the Company capitalizes costs incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life of five to 10 years. The Company evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

Warranties

The Company provides a warranty on the installation and components of the solar energy systems it sells, including solar energy systems sold under Solar Loans and previously under MyPower, for periods typically between 10 to 30 years. The manufacturer's warranty on the solar energy systems' components, which is typically passed-through to customers, ranges from one to 30 years. However, for the solar energy systems under lease contracts or power purchase agreements, the Company does not accrue a warranty liability because those systems are owned by consolidated subsidiaries of the Company. Instead, any repair costs on those solar energy systems are expensed when they are incurred as a component of operating leases and solar energy systems incentives cost of revenue. The changes in the accrued warranty balance, recorded as a component of accrued and other current liabilities on the consolidated balance sheets, consisted of the following (in thousands):

	As of and for the Year Ended December 31,	
	2016	2015
Balance - beginning of the period	$ 22,993	$ 8,607
Increase in liability (including $3,807 and $16,983 as of December 31, 2016 and December 31, 2015 related to MyPower contracts)	8,425	18,929
Change in estimate	1,587	(4,282)
Less warranty claims	(314)	(261)
Balance - end of the period	$ 32,691	$ 22,993

Solar Energy Systems Performance Guarantees

The Company guarantees certain specified minimum solar energy production output for certain systems leased or sold to customers generally for a term of up to 30 years. The Company monitors the solar energy systems to ensure that these outputs are being achieved. The Company evaluates if any amounts are due to its customers and makes any payments periodically as specified in the customer contracts. As of December 31, 2016 and 2015, the Company had recorded liabilities of $6.6 million and $3.1 million, respectively, under accrued and other current liabilities in the consolidated balance sheets, relating to these guarantees based on the Company's assessment of its current exposure.

Deferred U.S. Treasury Grants Income

The Company is eligible for U.S. Treasury grants received or receivable on eligible property as defined under Section 1603 of the American Recovery and Reinvestment Act of 2009, as amended by the Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of December 2010, which includes solar energy system installations, upon approval by the U.S. Treasury Department. However, to be eligible for U.S. Treasury grants, a solar energy system must have commenced construction in 2011 either physically or through the incurrence of sufficient project costs. For solar energy systems under lease pass-through fund arrangements, as described in Note 14, *Lease Pass-Through Financing Obligation*, the Company reduces the financing obligation and records deferred income for the U.S. Treasury grants which are paid directly to the investors upon receipt of the grants by the investors. The benefit of the U.S. Treasury grants is recorded as deferred income and is amortized on a straight-line basis over the estimated useful lives of the related solar energy systems of 30 years. The amortization of the deferred income is recorded as a reduction to depreciation expense, which is a component of the cost of revenue of operating leases and solar energy systems incentives in the consolidated statements of operations. A catch-up adjustment is recorded in the period in which the grant is approved by the U.S. Treasury Department or received by lease pass-through investors to recognize the portion of the grant that matches proportionally the amortization for the period between the date of placement in service of the solar energy systems and approval by the U.S. Treasury Department or receipt by lease pass-through investors of the associated grant. The changes in deferred U.S. Treasury grants income were as follows (in thousands):

Balance at January 1, 2014	$	427,809
U.S. Treasury grants received and receivable		342
Amortized as a credit to depreciation expense		(15,335)
Balance at December 31, 2014		412,816
U.S. Treasury grants received and receivable		144
Amortized as a credit to depreciation expense		(15,341)
Balance at December 31, 2015		397,619
True-up of U.S Treasury grants previously received and receivable		(29,554)
Amortized as a credit to depreciation expense		(10,453)
Balance at December 31, 2016	$	357,612

Of the balance outstanding as of December 31, 2016 and 2015, $343.3 million and $382.3 million, respectively, are classified as non-current deferred U.S. Treasury grants income in the consolidated balance sheets.

Deferred Investment Tax Credits Revenue

The Company's solar energy systems are eligible for investment tax credits, or ITCs, that accrue to eligible property under the Internal Revenue Code of 1986, as amended, or IRC. Under Section 50(d)(5) of the IRC and the related regulations, a lessor of qualifying property may elect to treat the lessee as the owner of such property for the purposes of claiming government ITCs associated with such property. These regulations enable the ITCs to be separated from the ownership of the property and allow the transfer of these ITCs. Under the lease pass-through fund arrangements, the Company can make a tax election to pass through the ITCs to the fund investor, who is the legal lessee of the property. The Company is therefore able to monetize the ITCs to investors who can utilize them in return for cash payments. The Company considers the monetization of ITCs to constitute one of the key elements of realizing the value associated with solar energy systems. The Company therefore views the proceeds from the monetization of ITCs to be a component of revenue generated from the solar energy systems.

For the lease pass-through fund arrangements, the Company allocates a portion of the aggregate payments received from the investor to the estimated fair value of the assigned ITCs and the balance to the future customer lease payments that are also assigned to the investors. The estimated fair value of the ITCs are determined by discounting the estimated cash flow impact of the ITCs using an appropriate discount rate that reflects a market interest rate.

The Company recognizes the revenue associated with the monetization of ITCs in accordance with ASC 605-10-S99, *Revenue Recognition-Overall-SEC Materials*. The revenue associated with the monetization of the ITCs is recognized when (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the sales price is fixed or determinable and (4) collection of the related receivable is reasonably assured. The ITCs are subject to recapture under the IRC if the underlying solar energy system either ceases to be a qualifying property or undergoes a change in ownership within five years of its placed in service date. The recapture amount decreases on the anniversary of the placed in service date. As the Company has an obligation to ensure the solar

energy system is in service and operational for a term of five years to avoid any recapture of the ITCs, the Company recognizes revenue as the recapture provisions lapse assuming the other aforementioned revenue recognition criteria have been met. The monetized ITCs are initially recorded as deferred revenue on the consolidated balance sheet, and subsequently, one-fifth of the monetized ITCs is recognized as revenue from operating leases and solar energy systems incentives in the consolidated statement of operations on each anniversary of the solar energy system's placed in service date over the next five years.

The Company guarantees its financing fund investors that in the event of a subsequent recapture of the ITCs by the taxing authority due to the Company's non-compliance with the applicable ITC guidelines, the Company will compensate the investor for any recaptured credits. The Company has concluded that the likelihood of a recapture event is remote and consequently has not recorded any liability in the consolidated financial statements for any potential recapture exposure.

Current deferred investment tax credits revenue, which is included as a part of current portion of deferred revenue in the consolidated balance sheets, as of December 31, 2016 and 2015 was $66.7 million and $51.8 million, respectively. Non-current deferred investment tax credits revenue, which is included as a part of deferred revenue, net of current portion, in the consolidated balance sheets, as of December 31, 2016 and 2015 was $138.3 million and $130.8 million, respectively. For the years ended December 31, 2016, 2015 and 2014, the Company recognized $51.8 million, $47.9 million and $28.2 million, respectively, of revenue related to the monetization of ITCs, which is included in operating leases and solar energy systems incentives revenue in the consolidated statements of operations.

Deferred Revenue

The Company records as deferred revenue any amounts that are collected from customers, including lease prepayments, in excess of revenue recognized. Deferred revenue also includes the portion of rebates and incentives received from utility companies and various local and state government agencies, which are recognized as revenue over the lease term, as well as the remote monitoring fee (discussed below), which is recognized as revenue ratably over the respective customer contract term. As of December 31, 2016 and 2015, deferred revenue related to customer payments, which is included in the deferred revenue balances on the consolidated balance sheets, amounted to $316.6 million and $289.3 million, respectively. As of December 31, 2016 and 2015, deferred revenue from rebates and incentives, which is included in the deferred revenue balances on the consolidated balance sheets, amounted to $203.5 million and $186.1 million, respectively. In addition, under MyPower customer contracts (discussed below), all initial revenue associated with financed sales of solar energy systems are also recorded as a component of the deferred revenue balances on the consolidated balance sheets. As of December 31, 2016 and 2015, current deferred revenue from MyPower contracts, which is included in current portion of deferred revenue in the consolidated balance sheets, amounted to $6.0 million and $4.6 million, respectively. As of December 31, 2016 and 2015, non-current deferred revenue from MyPower contracts, which is included in deferred revenue, net of current portion, in the consolidated balance sheets, amounted to $473.8 million and $448.2 million, respectively. As of December 31, 2016 and 2015, current portion of deferred revenue included $6.3 million and $2.8 million, respectively, related to accrued interest on MyPower customer notes receivable.

Revenue Recognition

The Company's customers purchase solar energy systems from the Company under fixed-price contracts or lease Company-owned solar energy systems that also include remote monitoring services. A residential customer that purchases a solar energy system has the option to pay the full purchase price for the system at the time of purchase. Beginning in the second quarter of 2016, qualified customers can finance the purchase through up to a 20-year loan directly from third-party lenders under the Solar Loan program (under which the Company is not a party to the loan agreement between the customer and the third-party lender, and the third-party lender has no recourse against the Company with respect to the loan). Prior to the third quarter of 2016, customers could finance the purchase through a 30-year loan from a wholly owned subsidiary of the Company under the MyPower program, which is no longer being offered. The Company also earns incentives that have been assigned to the Company by its customers, where available from utility companies and state and local governments.

Operating Leases and Power Purchase Agreements

The Company is the lessor under lease agreements for solar energy systems, which are accounted for as operating leases in accordance with ASC 840. The Company records operating lease revenue from minimum lease payments, including upfront rebates and incentives earned from such systems, on a straight-line basis over the life of the lease term, assuming all other revenue recognition criteria are met. For incentives that are earned based on the amount of electricity generated by the system, the Company records revenue as the amounts are earned. The difference between the payments received and the revenue recognized is recorded as deferred revenue on the consolidated balance sheet.

For solar energy systems where customers purchase electricity from the Company under power purchase agreements, the Company has determined that these agreements should be accounted for, in substance, as operating leases pursuant to ASC 840. Revenue is recognized based on the amount of electricity delivered at rates specified under the contracts, assuming all other revenue recognition criteria are met.

The portion of rebates and incentives recognized within operating leases and solar energy systems incentives revenue for the years ended December 31, 2016, 2015 and 2014 was $37.1 million, $34.3 million and $33.4 million, respectively.

Solar Energy Systems and Components Sales

For solar energy systems and components sales wherein customers pay the full purchase price, either directly or through the Solar Loan program, upon the delivery of the system, the Company recognizes revenue, net of any applicable governmental sales taxes, in accordance with ASC 605-25*, Revenue Recognition—Multiple-Element Arrangements*, and ASC 605-10-S99*, Revenue Recognition—Overall—SEC Materials*. Revenue is recognized when (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the sales price is fixed or determinable and (4) collection of the related receivable is reasonably assured. Components are comprised of photovoltaic panels and solar energy system mounting hardware. In instances where there are multiple deliverables in a single arrangement, the Company allocates the arrangement consideration to the various elements in the arrangement based on the relative selling price method. The Company recognizes revenue when it installs a solar energy system and the solar energy system passes inspection by the utility or the authority having jurisdiction, provided all other revenue recognition criteria have been met. Costs incurred on residential installations before the solar energy systems are completed are included in inventories as work in progress in the consolidated balance sheets. However, any fees that are paid or payable by the Company to a Solar Loan lender would be recognized as an offset against solar energy systems and components sales revenue, in accordance with ASC 605-50, *Customer Payments and Incentives*.

The Company recognizes revenue for solar energy systems constructed for certain commercial customers according to ASC 605-35, *Revenue Recognition—Construction-Type and Production Type Contracts*. Revenue is recognized on a percentage-of-completion basis, based on the ratio of labor costs incurred to date to total projected labor costs. Provisions are made for the full amount of any anticipated losses on a contract-by-contract basis. The Company recognized $7.5 million, $8.0 million and $2.1 million of total losses for these types of contracts for the years ended December 31, 2016, 2015 and 2014, respectively. Costs in excess of billings are recorded where costs recognized are in excess of amounts billed to customers of purchased commercial solar energy systems. Costs in excess of billings as of December 31, 2016 and 2015 were $0.5 million and $0.2 million, respectively, and are included in prepaid expenses and other current assets in the consolidated balance sheets. Billings in excess of costs as of December 31, 2016 and 2015 were $0.1 million and $0.5 million, respectively, and are included in deferred revenue in the consolidated balance sheets.

For solar energy systems previously sold under a MyPower contract, the Company has determined that the arrangement consideration is not currently fixed or determinable. In making this determination, the Company considered that (i) the MyPower arrangement is unique and the Company does not have company-specific or market history for similar financing arrangements with similar asset classes over an extended term; (ii) customer preferences and satisfaction during the life of these long-term contracts, including as a result of technological advances in solar energy systems over time, may change, and the Company may be incented to offer future inducements or concessions to ensure customers remain satisfied during the life of these long-term contracts; and (iii) possible future decreases in the retail prices of electricity from utilities or from other renewable energy sources that may make the purchase of the solar energy systems less economically attractive and may cause the Company to amend the terms of its contracts to ensure continued performance and to remain competitive. Accordingly, the Company initially defers the revenue associated with the sale of a solar energy system under a MyPower contract when it delivers the system that has passed inspection by the utility or the authority having jurisdiction. In instances where there are multiple deliverables in a single MyPower contract, the Company allocates the arrangement consideration to the various elements in the contract based on the relative selling price method. The Company subsequently recognizes revenue for the system over the term of the contract as cash payments are received for the loan's outstanding

principal and interest. The deferred revenue is included in the consolidated balance sheets under current portion of deferred revenue for the portion expected to be recognized as revenue in the next 12 months, and the non-current portion is included under deferred revenue, net of current portion. The Company records a note receivable when the customer secures the loan from a subsidiary of the Company to finance the purchase of the solar energy system.

MyPower deferred revenue activity was as follows (in thousands):

	As of and for the Year Ended December 31,	
	2016	2015
Balance - beginning of the period	$ 452,797	$ 33,651
MyPower systems delivered under executed contracts	104,761	442,567
MyPower revenue recognized within solar energy systems and components sales revenue	(77,680)	(23,421)
Balance - end of the period	$ 479,878	$ 452,797

As of December 31, 2016 and 2015, $6.0 million and $4.6 million, respectively, are included in the consolidated balance sheets under current portion of deferred revenue. The balances in the table above do not include amounts allocated to remote monitoring services, other deliverables or sales taxes.

Remote Monitoring Services

The Company provides solar energy system remote monitoring services, which are generally bundled with both sales and leases of solar energy systems. The Company allocates revenue between remote monitoring services and the other elements in a bundled sale of a solar energy system using the relative selling price method. The selling prices used in the allocation are determined by reference to the prices charged by third-parties for similar services and products on a standalone basis. For remote monitoring services bundled with a sale of a solar energy system, the Company recognizes the revenue allocated to remote monitoring services over the term specified in the associated contract or over the warranty period of the solar energy system if the contract does not specify the term. To date, remote monitoring services revenue has not been material and is included in the consolidated statements of operations under both operating leases and solar energy systems incentives revenue, when remote monitoring services are bundled with leases of solar energy systems, and solar energy system sales revenue.

Sale-Leaseback

The Company is party to master lease agreements that provide for the sale of solar energy systems to third-parties and the simultaneous leaseback of the systems, which the Company then subleases to customers. In sale-leaseback arrangements, the Company first determines whether the solar energy system under the sale-leaseback arrangement is “integral equipment.” A solar energy system is determined to be integral equipment when the cost to remove the system from its existing location, including the shipping and reinstallation costs of the solar energy system at the new site, including any diminution in fair value, exceeds ten-percent of the fair value of the solar energy system at the time of its original installation. When the leaseback arrangements expire, the Company has the option to purchase the solar energy system, and in most cases, the lessor has the option to sell the system back to the Company, though in some instances the lessor can only sell the system back to the Company prior to expiration of the arrangement.

For solar energy systems that the Company has determined to be integral equipment, the Company has concluded that these rights create a continuing involvement. Therefore, the Company uses the financing method to account for the sale-leaseback of such solar energy systems. Under the financing method, the Company does not recognize as revenue any of the sale proceeds received from the lessor that contractually constitutes a payment to acquire the solar energy system. Instead, the Company treats any such sale proceeds received as financing capital to install and deliver the solar energy system and accordingly records the proceeds as a sale-leaseback financing obligation in the consolidated balance sheets. The Company allocates the leaseback payments made to the lessor between interest expense and a reduction to the sale-leaseback financing obligation. Interest on the financing obligation is calculated using the Company’s incremental borrowing rate at the inception of the arrangement on the outstanding financing obligation. The Company determines its incremental borrowing rate by reference to the interest rates that it would obtain in the financial markets to borrow amounts equal to the sale-leaseback financing obligation over a term similar to the master lease term.

For solar energy systems that the Company has determined not to be integral equipment, the Company determines if the leaseback is classified as a capital lease or an operating lease. For leasebacks classified as capital leases, the Company initially records a capital lease asset and capital lease obligation in the consolidated balance sheet equal to the lower of the present value of the future minimum leaseback payments or the fair value of the solar energy system. For capital leasebacks, the Company does not recognize any revenue but defers the gross profit comprising of the net of the revenue and the associated cost of sale. For leasebacks classified as operating leases, the Company recognizes a portion of the revenue and the associated cost of sale and defers the portion of revenue and cost of sale that represents the gross profit that is equal to the present value of the future minimum lease payments over the master leaseback term. For both capital and operating leasebacks, the Company records the deferred gross profit in the consolidated balance sheet as deferred income and amortizes the deferred income over the leaseback term as a reduction to the leaseback rental expense included in operating leases and solar energy systems incentives cost of revenue in the consolidated statements of operations.

Solar Renewable Energy Credits

The Company accounts for solar renewable energy credits, or SRECs, when they are purchased by the Company or sold to third-parties. For SRECs generated by solar energy systems owned by the Company and minted by government agencies, the Company does not recognize any specifically identifiable costs for those SRECs as there are no specific incremental costs incurred to generate the SRECs. For any SRECs purchased by the Company, the Company would carry these SRECs at their cost, subject to impairment testing. The Company recognizes revenue from the sale of an SREC when the SREC is transferred to the buyer, and the cost of the SREC, if any, is then recorded within operating leases and solar energy systems incentives cost of revenue.

Cost of Revenue

Operating leases and solar energy systems incentives cost of revenue is primarily comprised of depreciation of the cost of leased solar energy systems reduced by amortization of U.S. Treasury grants income, maintenance costs associated with those systems and amortization of initial direct lease costs associated with those systems. Initial direct lease costs are customer solar energy system lease acquisition costs (the incremental cost of contract administration, referral fees and sales commissions), are capitalized as an element of solar energy systems, leased and to be leased – net, and are amortized over the term of the related lease or power purchase agreement, which generally ranges from 10 to 25 years. Refer to Note 7, *Solar Energy Systems, Leased and To Be Leased – Net*, for a summary of initial direct lease costs related to customer solar energy system lease acquisition costs.

Solar energy systems and components sales cost of revenue includes direct and indirect material and labor costs, warehouse rent, freight, warranty expense, depreciation on vehicles and other overhead costs. In addition, for solar energy systems and components sales accounted for under the percentage-of-completion method, cost of revenue includes the full amount of any anticipated future losses on a contract-by-contract basis.

Furthermore, the costs associated with solar energy systems previously sold under MyPower contracts, including the costs of acquisition of system components, personnel costs associated with system installations and costs to originate the contracts such as sales commissions, referral fees and some incremental contract administration costs, are initially capitalized as deferred costs. Subsequently, these costs are recognized as a component of cost of revenue from solar energy systems and components sales for the costs associated with system components and installations, or as a component of operating expenses for costs associated with contract origination, generally in proportion to the reduction of the MyPower loans' outstanding principal over the 30-year term. The deferred costs are included in the consolidated balance sheets under prepaid expenses and other current assets for the portion expected to be recognized in the consolidated statements of operations in the next 12 months, and the non-current portion is included as a component of other assets. However, the estimated warranty costs associated with the systems are fully expensed upon the delivery of the systems.

MyPower deferred costs activity was as follows (in thousands):

	As of and for the Year Ended December 31,	
	2016	2015
Balance - beginning of the period	$ 217,776	$ 13,571
MyPower systems delivered under executed contracts(1)	52,305	215,141
Recognized in cost of revenue within solar energy systems and components sales	(33,998)	(10,490)
Recognized in operating expenses	(1,025)	(446)
Balance - end of the period	$ 235,058	$ 217,776

(1) Included in MyPower systems delivered under executed contracts was $4.5 million and $27.2 million of MyPower contract origination costs incurred in the years ended December 31, 2016 and 2015, respectively.

As of December 31, 2016 and 2015, $2.7 million and $2.1 million, respectively, are included in the consolidated balance sheets under prepaid and other current assets.

Advertising Costs

Advertising costs are expensed as incurred and are included as an element of sales and marketing expense in the consolidated statements of operations. The Company incurred advertising costs of $26.3 million, $28.6 million and $3.4 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, Income Taxes ("ASC 740"). Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, any net operating loss, or NOL, carryforwards and any tax credits, measured using the enacted tax rate expected to apply to the taxable income in the periods in which the differences are expected to be reversed. A valuation allowance is provided when necessary to reduce net deferred tax assets to an amount that is more likely than not to be realized. The Company is eligible for federal ITCs and accounts for them under the flow-through method. As permitted in ASC 740-10-25-46, under the flow-through method, the tax benefit from an ITC is recorded as a reduction of federal income taxes in the period that the ITC is generated.

The Company uses a two-step approach of recognizing and measuring uncertain tax positions. The Company first determines whether any uncertain tax positions are more-likely-than-not of being sustained upon tax authority examination, including the resolution of any related appeals or litigation processes, based on the technical merits of the positions. Then, the Company measures the tax benefits as the largest amount that is more than 50% likely of being realized upon ultimate settlement.

The Company includes interest and penalties related to any unrecognized tax benefits within the provision for taxes in the consolidated statements of operations.

The Company uses the "with and without" approach in determining the order in which tax attributes are utilized. As a result, the Company only recognizes a tax benefit from stock-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes currently available to the Company have been utilized.

The Company is included in the consolidated return of Tesla for the period from acquisition, November 21, 2016 to December 31, 2016. For purposes of the Company's financial statements, income tax expense has been computed under the separate return method pursuant to the provisions of ASC 740-10-30-27, Allocation of Consolidated Tax Expense to Separate Financial Statements of Members

Comprehensive Income (Loss)

The Company accounts for comprehensive income (loss) in accordance with ASC 220, *Comprehensive Income*. Under ASC 220, the Company is required to report comprehensive income (loss), which includes net income (loss) as well as other comprehensive income (loss). There were no significant other comprehensive income (losses) and no significant differences between comprehensive loss as defined by ASC 220 and net loss as reported in the consolidated statements of operations, for the periods presented.

Stock-Based Compensation

The Company accounts for stock-based compensation costs under the provisions of ASC 718, *Compensation—Stock Compensation*, which requires the measurement and recognition of compensation costs related to the fair value of stock-based compensation awards that are ultimately expected to vest. Stock-based compensation costs recognized include all share-based payments granted to employees based on the grant date fair values estimated in accordance with the provisions of ASC 718. ASC 718 is also applied to awards modified, repurchased or canceled.

The Company applies ASC 718 and ASC 505-50, *Equity-Based Payments to Non Employees*, to stock-based awards issued to non-employees. In accordance with ASC 718 and ASC 505-50, the Company uses the Black-Scholes option pricing model to measure the fair values of any non-employee stock option awards as of their grant dates. The measurement of non-employee stock-based compensation costs is subject to periodic adjustments as the awards vest and the resulting changes in fair value are recognized in the consolidated statements of operations in the periods that the related services were rendered.

Noncontrolling Interests and Redeemable Noncontrolling Interests

Noncontrolling interests and redeemable noncontrolling interests represent third-party interests in the net assets under certain funding arrangements, or funds, that the Company has entered into to finance the cost of solar energy systems under operating leases. The Company has determined that the contractual provisions of the funds represent substantive profit sharing arrangements. The Company has further determined that the appropriate methodology for calculating the noncontrolling interest and redeemable noncontrolling interest balances that reflects the substantive profit sharing arrangements is a balance sheet approach using the hypothetical liquidation at book value, or HLBV, method. The Company, therefore, determines the amount of the noncontrolling interests and redeemable noncontrolling interests in the net assets of the funds at each balance sheet date using the HLBV method, which is presented on the consolidated balance sheets as noncontrolling interests in subsidiaries and redeemable noncontrolling interests in subsidiaries. Under the HLBV method, the amounts reported as noncontrolling interests and redeemable noncontrolling interests in the consolidated balance sheets represent the amounts the third-parties would hypothetically receive at each balance sheet date under the liquidation provisions of the funds, assuming the net assets of the funds were liquidated at the recorded amounts determined in accordance with GAAP and distributed to the third-parties. The third-parties' interests in the results of operations of the funds are determined as the difference in the noncontrolling interest and redeemable noncontrolling interest balances in the consolidated balance sheets between the start and end of each reporting period, after taking into account any capital transactions between the funds and the third-parties. However, the redeemable noncontrolling interest balance is at least equal to the redemption amount. The redeemable noncontrolling interest balance is presented as temporary equity in the mezzanine section of the consolidated balance sheets since these third-parties have the right to redeem their interests in the funds for cash or other assets.

Segment Information

Operating segments are defined as components of a company about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is the executive team, which is comprised of the Chief Executive Officer and the Chief Financial Officer. Based on the financial information presented to and reviewed by the chief operating decision maker in deciding how to allocate the resources and in assessing the performance of the Company, the Company has determined that it has a single operating and reporting segment: solar energy products and services. The Company's principal operations, revenue and decision-making functions are located in the United States.

Recently Issued Accounting Standards

In February 2015, the FASB issued Accounting Standards Update, or ASU, No. 2015-02, *Amendments to the Consolidation Analysis*, to amend the criteria for consolidation of certain legal entities. The Company adopted the ASU retrospectively on January 1, 2016, but the adoption had no impact on its consolidated financial statements.

In September 2015, the FASB issued ASU No. 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments*, to change the accounting for subsequent adjustments to the provisional balances recognized in a business combination from retrospective to prospective. However, the ASU requires separate presentation or disclosure of the impact on prior periods had the adjustments been recognized as of the acquisition date. The Company adopted the ASU prospectively on January 1, 2016, but the adoption had no impact on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, to replace the existing revenue recognition criteria for contracts with customers and to establish the disclosure requirements for revenue from contracts with customers. In August 2015, the FASB issued ASU No. 2015-14, *Deferral of the Effective Date*, to defer the effective date of ASU No. 2014-09 to interim and annual periods beginning after December 15, 2017, with early adoption permitted. Subsequently, the FASB issued ASU No. 2016-08, *Principal versus Agent Considerations*, ASU No. 2016-10, *Identifying Performance Obligations and Licensing*, ASU No. 2016-11, *Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting*, ASU No. 2016-12, *Narrow-Scope Improvements and Practical Expedients*, and ASU No. 2016-20, *Technical Corrections and Improvements*, to clarify and amend the guidance in ASU No. 2014-09. Adoption of the ASUs is either retrospective to each prior period presented or retrospective with a cumulative adjustment to retained earnings or accumulated deficit as of the adoption date. The Company is currently obtaining an understanding of the ASUs but plans to adopt them on January 1, 2018 retrospectively to each prior period presented, which will have a currently undetermined impact on its consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, *Going Concern*, to provide guidance within GAAP requiring management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and requiring related disclosures. The Company adopted the ASU prospectively on December 31, 2016, but the adoption had no impact on its consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11, *Simplifying the Measurement of Inventory*, to specify that inventory should be subsequently measured at the lower of cost or net realizable value, which is the ordinary selling price less any completion, transportation and disposal costs. However, the ASU does not apply to inventory measured using the last-in-first-out or retail methods. The ASU is effective for interim and annual periods beginning after December 15, 2016. Adoption of the ASU is prospective. The Company's adoption of the ASU prospectively on January 1, 2017 is not expected to impact its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, to mainly change the accounting for investments in equity securities and financial liabilities carried at fair value as well as to modify the presentation and disclosure requirements for financial instruments. The ASU is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted. Adoption of the ASU is retrospective with a cumulative adjustment to retained earnings or accumulated deficit as of the adoption date. The Company is currently obtaining an understanding of the ASU but plans to adopt the ASU retrospectively on January 1, 2018, which will have a currently undetermined impact on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, to require lessees to recognize most leases on the balance sheet, while recognition on the statement of operations will remain similar to current lease accounting. The ASU also eliminates real estate-specific provisions and modifies certain aspects of lessor accounting. The ASU is effective for interim and annual periods beginning after December 15, 2018. Adoption of the ASU is modified retrospective. The Company is currently obtaining an understanding of the ASU but plans to adopt the ASU modified retrospectively on January 1, 2019, which will have a currently undetermined impact on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-06, *Contingent Put and Call Options in Debt Instruments*, to clarify when a contingent put or call option to accelerate the repayment of debt is an embedded derivative. The ASU is effective for interim and annual periods beginning after December 15, 2016, with early adoption permitted. Adoption of the ASU is modified retrospective. The Company's adoption of the ASU modified retrospectively on January 1, 2017 is not expected to have an impact on its consolidated financial statements, since it has already been interpreting GAAP as prescribed in the ASU.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting*, to simplify the accounting for the income tax effects from share-based compensation, the accounting for forfeitures and the accounting for statutory income tax withholding, among others. In particular, the ASU requires all income tax effects from share-based compensation to be recognized in the consolidated statement of operations when the awards vest or are settled, the ASU permits accounting for forfeitures as they occur and the ASU permits a higher level of statutory income tax withholding without triggering liability

accounting. The ASU is effective for interim and annual periods beginning after December 15, 2016, with early adoption permitted. Adoption of the ASU is modified retrospective, retrospective and prospective, depending on the specific provision being adopted. The Company's adoption of the ASU on January 1, 2017 will impact its recognition and presentation of excess tax benefits and deficiencies and its presentation of tax withholdings and the subsequent payments on the statements of cash flows.

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, to require, among others, financial assets carried at amortized cost to be presented at the net amount expected to be collected based on historical experience, current conditions and forecasts. The ASU is effective for interim and annual periods beginning after December 15, 2019, with early adoption permitted. Adoption of the ASU is modified retrospective. The Company is currently obtaining an understanding of the ASU but plans to adopt the ASU modified retrospectively on January 1, 2020, and the impact on its consolidated financial statements is not known.

In August 2016, the FASB issued ASU No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments*, to reduce the diversity in practice with respect to the presentation of certain cash flows. The ASU is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted. Adoption of the ASU is retrospective. The Company is currently obtaining an understanding of the ASU but plans to adopt the ASU retrospectively on January 1, 2018, and the impact on its consolidated financial statements is not known.

In October 2016, the FASB issued ASU No. 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory*, to require the recognition of the income tax effects from an intra-entity transfer of an asset other than inventory. The ASU is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted. Adoption of the ASU is modified retrospective. The Company is currently obtaining an understanding of the ASU, and the impact on its consolidated financial statements is not known.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows: Restricted Cash*, to require the statement of cash flows to present restricted cash as a part of the beginning and ending balances of cash and cash equivalents. The ASU is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted. Adoption of the ASU is retrospective. The Company plans to adopt the ASU retrospectively on January 1, 2018, which will impact the classifications within its consolidated statements of cash flows.

In January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment*, to change the determination of the amount of goodwill impairment to the excess of the carrying amount of a reporting unit over the reporting unit's fair value. The ASU is effective for interim and annual periods beginning after December 15, 2019, with early adoption permitted. Adoption of the ASU is prospective. The Company plans to adopt the ASU prospectively on January 1, 2020, and the impact on its consolidated financial statements is not known.

3. Restructuring and Other Activities

In the second quarter of 2016, the Company commenced certain restructuring activities in order to reduce costs and improve efficiency. Consequently, during the year ended December 31, 2016, the Company recognized $6.1 million of one-time employee termination benefits. As of December 31, 2016, the outstanding restructuring liability was $0.6 million.

Additionally, the Company commenced winding-down its solar module manufacturing operations in China, due to the tariffs imposed by the U.S. government on solar panels manufactured in China, and recognized an impairment charge of $13.9 million during the year ended December 31, 2016 (see Note 8, *Property, Plant and Equipment – Net*).

Furthermore, the Company concluded that certain acquired intangible assets were fully impaired. As such, the Company recognized an impairment charge of $26.0 million during the year ended December 31, 2016 (see Note 4, *Goodwill and Intangible Assets*).

In addition, during the year ended December 31, 2016, the Company incurred $23.6 million of direct costs arising from its acquisition by Tesla.

Moreover, during the year ended December 31, 2016, certain amounts due to the Company related to an uninstalled commercial project, but not related to any customer contracts or loans, were determined to be unrecoverable. Accordingly, the Company

recognized a charge of $16.1 million. Despite this charge, the Company intends to continue its efforts to obtain reimbursement of this amount.

Also, during the year ended December 31, 2016, the Company recorded charges totaling $20.2 million for write-offs and for a reserve for a certain litigation matter (see Note 23, *Commitments and Contingencies*).

4. Goodwill and Intangible Assets

Intangible Assets

The following is a summary of intangible assets as of December 31, 2016 (in thousands):

	Weighted-average useful life (in years)	Gross	Accumulated amortization	Write-offs	Net
Developed technology	9	$ 175,100	$ (51,984)	$ —	$ 123,116
Trademarks and trade names	7	24,700	(10,785)	—	13,915
Marketing database	5	17,427	(11,579)	(5,848)	—
PowerSaver agreement	10	17,077	(4,815)	(12,262)	—
Non-compete agreements	5	7,189	(4,052)	(3,137)	—
Customer relationships	6	6,190	(1,523)	(4,667)	—
Other	6	10,028	(6,848)	(87)	3,093
Total intangible assets	8.73	$ 257,711	$ (91,586)	$ (26,001)	$ 140,124

The following is a summary of intangible assets as of December 31, 2015 (in thousands):

	Weighted-average useful life (in years)	Gross	Accumulated amortization	Net
Developed technology	9	$ 175,100	$ (32,260)	142,840
Trademarks and trade names	7	24,700	(7,256)	17,444
Marketing database	5	17,427	(9,953)	7,474
PowerSaver agreement	10	17,077	(3,961)	13,116
Non-compete agreements	5	7,189	(3,272)	3,917
Customer relationships	6	6,190	(542)	5,648
Other	6	10,028	(5,223)	4,805
Total intangible assets	8.26	$ 257,711	$ (62,467)	$ 195,244

Developed Technology

Developed technology consists of high performance solar cell technology acquired through the Silevo acquisition. The high performance technology would allow the Company to achieve improved solar energy system performance and reduce the overall deployment cost per watt of solar energy systems sold or leased. In addition, the high performance technology would increase the Company's market opportunity to a broader customer base who would benefit economically from more efficient solar energy systems. Developed technology also consists of solar panel interlocking technology acquired through the Zep Solar acquisition. The interlocking technology includes a rail-free installation system, auto-grounding connections and a rapid, drop-in module installation design. The interlocking technology allows solar energy systems to be installed easily and produces significant performance-based and aesthetic improvements compared to other solar energy system installation technologies.

Trademarks and Trade Names

Trademarks and trade names are related to established market recognition from acquired businesses and are expected to be retired at the end of their estimated useful lives.

Marketing Database

The marketing database is a comprehensive platform for targeted marketing, including a prospective customer scoring engine, a marketing campaign manager and monthly updates. The prospective customer scoring engine improves the results of marketing initiatives by predicting which customer leads in the marketing database will respond favorably to a particular marketing campaign. The marketing campaign manager monitors the results of marketing campaigns and provides feedback for optimizing future marketing campaigns.

PowerSaver Agreement

Under the PowerSaver program, Fannie Mae makes available additional loans of up to $25,000 to eligible Fannie Mae borrowers. The additional loan amounts can only be used for energy efficiency projects that include the installation of solar energy systems. The PowerSaver program provides an additional source of financing for customers and therefore helps broaden the Company's customer base. Under the PowerSaver agreement, the Company is provided with the exclusive right to market solar energy systems to the customers of Paramount Mortgage, an affiliate of Paramount Energy.

Non-Compete Agreements

Certain former key employees of businesses acquired by the Company became employees of the Company and executed non-compete agreements with the Company.

Customer Relationships

As part of one of its acquisitions, the Company acquired certain pre-existing customer relationships with commercial customers.

Other

Other intangible assets included a mortgage database, which contains data pertaining to households that the Company can directly market to. In addition, there is internally developed software, which consists of Zep Solar's Zepulator System Designer, or Zepulator, online application. Zepulator can project the size, scope, layout, materials and costs of potential solar energy system installations, which assists with optimizing solar energy system installations.

All intangible assets are amortized over their estimated useful lives. The changes to the carrying value of intangible assets were as follows (in thousands):

	Year Ended December 31,	
	2016	2015
Balance - beginning of the period	$ 195,244	$ 223,637
Acquisitions	—	$ 6,420
Amortization	(29,119)	(34,813)
Write-offs	(26,001)	—
Balance - end of the period	$ 140,124	$ 195,244

Amortization expense from intangible assets for the years ended December 31, 2016, 2015 and 2014 was allocated as follows (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Included in operating leases and solar energy incentives cost of revenue	$ 17,716	$ 17,428	$ 9,962
Included in solar energy systems and components sales cost of revenue	2,574	3,337	2,605
Total included in cost of revenue	$ 20,290	$ 20,765	$ 12,567
Included in sales and marketing	8,829	14,048	11,696
Total amortization expense	$ 29,119	$ 34,813	$ 24,263

The intangible assets related to the customer relationships, the PowerSaver agreement, the non-compete agreements and the marketing database were fully impaired during the year ended December 31, 2016 following the restructuring of the Company's operations. The impairment charges are included in restructuring and other expense (see Note 3, *Restructuring and Other Activities*). No intangible assets were impaired during the years ended December 31, 2015 and 2014. However, the Company wrote-off $0.3 million of solar energy systems backlog related to contracts cancelled after acquisition during the year ended December 31, 2014, which was recorded in sales and marketing expense in the consolidated statements of operations.

As of December 31, 2016, the total future amortization expense from intangible assets was as follows (in thousands):

	Cost of Revenue	Operating Expense	Total
2017	$ 16,866	$ 3,529	$ 20,395
2018	16,866	3,529	20,395
2019	16,866	3,529	20,395
2020	16,866	3,329	20,195
2021	16,866	—	16,866
Thereafter	41,878	—	41,878
Total	$ 126,208	$ 13,916	$ 140,124

Goodwill

The changes to the carrying value of goodwill were as follows (in thousands):

	Year Ended December 31,	
	2016	2015
Balance - beginning of the period	$ 321,865	$ 315,920
Acquisitions	—	5,945
Balance - end of the period	$ 321,865	$ 321,865

The Company did not recognize any impairment of goodwill during the years ended December 31, 2016, 2015 or 2014.

5. Non-cancellable Operating Lease Payments Receivable

As of December 31, 2016, future minimum lease payments to be received from customers under non-cancellable operating leases for each of the next five years and thereafter were as follows (in thousands):

2017	$ 135,615
2018	138,139
2019	140,740
2020	143,419
2021	145,176
Thereafter	2,122,127
Total	$ 2,825,216

The Company enters into power purchase agreements with its customers that are accounted for, as leases. These customers are charged solely based on actual power produced by the installed solar energy system at a predefined rate per kilowatt-hour of power produced. The future payments from such arrangements were not included in the table above as they are a function of the power generated by the related solar energy systems in the future.

Included in revenue for the years ended December 31, 2016, 2015 and 2014 was $193.1 million, $124.7 million and $79.5 million, respectively, that were accounted for as contingent rentals. The contingent rentals comprised of customer payments under power purchase agreements and performance-based incentives received or receivable by the Company from various utility companies.

6. Inventories

Inventories consisted of the following (in thousands):

	As of December 31,	
	2016	2015
Raw materials, net	$ 140,888	$ 335,439
Work in progress	31,825	7,512
Total inventories	$ 172,713	$ 342,951

Raw materials are comprised of component parts that include silicon wafers, process gasses, chemicals and other consumables used in solar cell production, solar cells, photovoltaic panels, inverters, mounting hardware and miscellaneous electrical components that will be deployed to either solar energy systems that will be sold or solar energy systems that will be leased. Work in progress is comprised of installations in progress and includes component parts, labor and other overhead costs incurred up to the balance sheet date on solar energy systems that will be sold and for which binding sales contracts have already been executed. For solar energy systems, leased and to be leased, the Company commences transferring component parts from inventory to construction in progress, a component of solar energy systems, leased and to be leased, once a lease contract with a customer has been executed and installation has been initiated. Additional costs incurred on the leased systems, including labor and overhead, are recorded within construction in progress. As of December 31, 2016 and 2015, inventory reserves were $19.5 million and $4.5 million, respectively, and are included in the table above under raw materials.

7. Solar Energy Systems, Leased and To Be Leased – Net

Solar energy systems, leased and to be leased – net consisted of the following (in thousands):

	As of December 31,	
	2016	2015
Solar energy systems leased to customers	$ 5,008,487	$ 3,619,214
Initial direct costs related to customer solar energy system lease acquisition costs	539,213	383,506
	5,547,700	4,002,720
Less accumulated depreciation and amortization	(447,011)	(275,158)
	5,100,689	3,727,562
Solar energy systems under construction	404,439	358,010
Solar energy systems to be leased to customers	323,627	289,981
Solar energy systems, leased and to be leased - net(1)(2)	$ 5,828,755	$ 4,375,553

(1) Included in solar energy systems leased to customers as of December 31, 2016 and 2015 was $66.4 million related to capital leased assets with an accumulated depreciation of $13.3 million and $10.6 million, respectively.

(2) Included in solar energy systems, leased and to be leased to customers as of December 31, 2016 and 2015 was $19.3 million and $6.3 million, respectively, related to energy storage systems with an accumulated depreciation of $1.0 million and $0.5 million, respectively.

As of December 31, 2016, future minimum lease payments to the lessor under this capital lease arrangement for each of the next five years and thereafter were as follows (in thousands):

2017	$ 2,353
2018	2,367
2019	2,383
2020	2,398
2021	2,415
Thereafter	16,259
Total	$ 28,175

As of December 31, 2016, future minimum lease receipts by the Company from sub-lessees under this capital lease arrangement for each of the next five years and thereafter were as follows (in thousands):

2017	$ 2,473
2018	2,503
2019	2,534
2020	2,566
2021	2,599
Thereafter	29,256
Total	$ 41,931

The amounts in the table above are also included as part of the non-cancellable operating lease payments from customers disclosed in Note 5, *Non-cancellable Operating Lease Payments Receivable*.

8. Property, Plant and Equipment – Net

Property, plant and equipment consisted of the following (in thousands):

	As of December 31,	
	2016	2015
Manufacturing facilities - Fremont, California:		
Manufacturing and lab equipment	$ 91,877	$ 84,418
Leasehold improvements	55,883	53,902
Manufacturing facilities - China:		
Manufacturing and lab equipment	21,789	21,714
Land and buildings	6,786	6,711
Vehicles	34,214	44,036
Computer hardware and software	57,008	41,294
Furniture and fixtures	15,285	13,611
Leasehold improvements - other	29,661	19,546
Other	45,773	30,861
	358,276	316,093
Less accumulated depreciation and amortization	(113,540)	(53,706)
Property, plant and equipment - net	$ 244,736	$ 262,387

Certain manufacturing equipment was impaired during the year ended December 31, 2016. The impairment charge is included in restructuring and other expense (see Note 3, *Restructuring and Other Activities*).

Included in other property, plant and equipment – net as of December 31, 2016 and 2015 was $37.2 million and $29.1 million, respectively, related to capital leased assets with an accumulated depreciation of $12.9 million and $5.6 million, respectively.

9. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	As of December 31,	
	2016	2015
Accrued expenses	$ 96,380	$ 69,034
Income tax payable	—	41,016
Accrued compensation	77,773	64,988
Current portion of contingent consideration	—	42,912
Accrued warranty	32,691	22,993
Accrued professional services fees	22,965	9,915
Current portion of capital lease obligation	11,104	8,208
Other current liabilities	25,074	17,440
Total accrued and other current liabilities	$ 265,987	$ 276,506

10. Other Liabilities and Deferred Credits

Other liabilities and deferred credits consisted of the following (in thousands):

	As of December 31,	
	2016	2015
Deferred gain on sale-leaseback transactions, net of current portion	$ 48,304	$ 51,547
Deferred rent expense	24,110	16,184
Interest rate swaps liability	12,109	11,544
Deferred solar renewable energy credits income	19,390	8,855
Capital lease obligation	34,777	39,475
Liability for receipts from an investor	76,828	17,975
Contingent consideration	—	80,096
Participation interest	16,713	15,919
Liability for assigned notes receivable	44,780	—
Other noncurrent liabilities	62,940	37,411
Total	$ 339,951	$ 279,006

The liability for receipts from an investor represents amounts received from an investor under a lease pass-through fund arrangement for monetization of ITCs for assets not yet placed in service. This amount is reclassified to deferred revenue when the assets are placed in service.

The participation interest represents rights granted by the Company to a former fund investor to share in the future residual returns from securitized solar energy systems, as part of the compensation for the termination of a lease pass-through fund arrangement, as described in Note 12, *Indebtedness*.

The contingent consideration relates to the Company's acquisition of Silevo in the third quarter of 2014.

11. Cash Equity Financings

On May 2, 2016, the Company pooled and transferred its interests in certain financing funds into a special purpose entity, or SPE, and issued $121.7 million in aggregate principal of debt of the SPE (see Note 12, *Indebtedness*) and also issued $100.7 million of equity interests in the SPE, both to the same investor. Of the net proceeds from this transaction, $125.0 million was used to partially prepay the revolving aggregation credit facility due in December 2018, $25.7 million was used to partially prepay the term loan due in December 2016 and the remaining amount was retained by the Company to fund its operations.

On September 8, 2016, the Company pooled and transferred its interests in certain financing funds into a SPE and issued $210.0 million in aggregate principal of debt of the SPE (see Note 12) to a syndicate of banks and also issued $95.2 million of equity

interests in the SPE to an investor. Of the net proceeds from this transaction, $192.3 million was used to partially prepay the revolving aggregation credit facility due in December 2018 and the remaining amount was retained by the Company to fund its operations.

On December 16, 2016, the Company pooled and transferred its interests in certain financing funds into a SPE and issued $170.0 million in aggregate principal of debt of the SPE (see Note 12) to a syndicate of banks and also issued $70.9 million of equity interests in the SPE to an investor. Of the net proceeds from this transaction, $131.0 million was used to partially prepay the revolving aggregation credit facility due in December 2018 and the remaining amount was retained by the Company to fund its operations.

The debts are secured by, among other things, the SPEs' interests in the financing funds. The Company has determined that the SPEs are VIEs and that the Company is the primary beneficiary of the SPEs by reference to the power and benefits criterion under ASC 810, *Consolidation*. Accordingly, the Company consolidates the SPEs in its consolidated financial statements and accounts for the investors' equity interests in the SPEs as noncontrolling interests (see Note 13, *VIE Arrangements*). The Company did not recognize a gain or loss on the transfers of its interests in the financing funds and continues to consolidate the financing funds. The cash distributed from the financing funds to the SPEs are used to service the principal payments, the interest payments, the SPEs' expenses and the distributions to the investors. Any remaining cash would be distributed to wholly owned subsidiaries of the Company. The SPEs' assets and cash flows are not available to the other creditors of the Company, and the lenders and the investors have no recourse to the Company's other assets.

12. Indebtedness

The following is a summary of the Company's debt as of December 31, 2016 (dollars in thousands):

	Unpaid Principal Balance	Net Carrying Value		Unused Committed Amount	Interest Rate	Maturity Dates
		Current	Long-Term			
Recourse debt:						
Secured revolving credit facility	$ 364,000	$ 360,957	$ —	$ 24,305	4.0%-6.0%	January 2017 - December 2017
Vehicle and other loans	23,771	17,235	6,536	—	2.9%-7.6%	March 2017 - June 2019
2.75% convertible senior notes due in 2018	230,000	—	226,323	—	2.8%	November 2018
1.625% convertible senior notes due in 2019	566,000	—	557,112	—	1.6%	November 2019
Zero-coupon convertible senior notes due in 2020	113,000	—	101,428	—	0.0%	December 2020
Solar Bonds	332,060	181,582	150,279	*	1.1%-6.5%	January 2017 - January 2031
Total recourse debt	1,628,831	559,774	1,041,678	24,305		
Non-recourse debt:						
Term loan due in December 2017	75,467	73,825	—	52,173	4.2%	December 2017
Term loan due in January 2021	183,388	5,860	171,994	—	4.5%	January 2021
MyPower revolving credit facility	133,762	133,578	—	56,238	4.1%-6.6%	January 2017
Revolving aggregation credit facility	424,757	—	413,792	335,243	4.0%-4.8%	December 2018
Solar Renewable Energy Credit Term Loan	38,124	12,491	24,565	—	6.6%-9.9%	April 2017 - July 2021
Cash Equity Debt I	119,753	3,272	115,464	—	5.7%	July 2033
Cash Equity Debt II	206,901	5,376	198,220	—	5.3%	July 2034
Cash Equity Debt III	170,000	4,994	161,855		5.8%	January 2035
Solar Asset-backed Notes, Series 2013-1	41,899	3,330	35,826	—	4.8%	November 2038
Solar Asset-backed Notes, Series 2014-1	60,768	3,016	55,197	—	4.6%	April 2044
Solar Asset-backed Notes, Series 2014-2	186,851	7,055	173,625	—	4.0%-Class A 5.4%-Class B	July 2044
Solar Asset-backed Notes, Series 2015-1	119,199	1,511	112,927	—	4.2%-Class A 5.6%-Class B	August 2045
Solar Asset-backed Notes, Series 2016-1	50,119	1,202	44,313	—	5.3%-Class A 7.5%-Class B	September 2046
Solar Loan-backed Notes, Series 2016-A	140,586	3,514	127,317	—	4.8%-Class A 6.9%-Class B	September 2048
Total non-recourse debt	1,951,574	259,024	1,635,095	443,654		
Total debt	$ 3,580,405	$ 818,798	$ 2,676,773	$ 467,959		

* Out of the $350.0 million authorized to be issued by the Company's board of directors, $17.9 million remained available to be issued. See below and Note 22, *Related Party Transactions*, for Solar Bonds issued to related parties.

The following is a summary of the Company's debt as of December 31, 2015 (dollars in thousands):

	Unpaid Principal Balance	Net Carrying Value		Unused Committed Amount	Interest Rate	Maturity Date
		Current	Long-Term			
Recourse debt:						
Secured revolving credit facility	$ 360,000	$ 22,320	$ 333,287	$ 13,053	3.5%-5.8%	December 2016 - December 2017
Vehicle and other loans	28,173	12,562	15,610	—	2.5%-7.6%	January 2016 - June 2019
2.75% convertible senior notes due in 2018	230,000	—	225,795	—	2.8%	November 2018
1.625% convertible senior notes due in 2019	566,000	—	555,981	—	1.6%	November 2019
Zero-coupon convertible senior notes due in 2020	113,000	—	112,784	—	0.0%	December 2020
Solar Bonds	214,324	178,309	35,778	#	1.3%-5.8%	January 2016 - December 2030
Total recourse debt	1,511,497	213,191	1,279,235	13,053		
Non-recourse debt:						
Term loan due in May 2016	34,622	33,918	—	—	3.5%	May 2016
Term loan due in December 2016	112,483	111,248	—	—	3.6%-3.7%	December 2016
MyPower revolving credit facility	213,125	—	210,735	26,875	3.0%-5.5%	January 2017
Revolving aggregation credit facility	455,693	—	446,963	194,307	3.1%-3.2%	December 2017
Solar Asset-backed Notes, Series 2013-1	45,845	3,342	39,669	—	4.8%	November 2038
Solar Asset-backed Notes, Series 2014-1	64,431	2,855	58,938	—	4.6%	April 2044
Solar Asset-backed Notes, Series 2014-2	193,755	6,319	181,041	—	4.0%-Class A 5.4%-Class B	July 2044
Solar Asset-backed Notes, Series 2015-1	122,295	1,348	116,019	—	4.2%-Class A 5.6%-Class B	August 2045
Total non-recourse debt	1,242,249	159,030	1,053,365	221,182		
Total debt	$ 2,753,746	$ 372,221	$ 2,332,600	$ 234,235		

Out of the $350.0 million authorized to be issued by the Company's board of directors, $135.7 million remained available to be issued. See below and Note 22, *Related Party Transactions*, for Solar Bonds issued to related parties.

Recourse debt refers to debt that is recourse to the Company's general assets. Non-recourse debt refers to debt that is recourse to only specified assets or subsidiaries of the Company. The differences between the unpaid principal balances and the net carrying values are due to convertible senior note conversion features, debt discounts and deferred financing costs. As of December 31, 2016, the Company was in compliance with all financial debt covenants. The Company's debt is described further below.

Recourse Debt Facilities:

Secured Revolving Credit Facility

The Company has entered into a revolving credit agreement with a syndicate of banks to fund working capital, letters of credit and general corporate needs. Borrowed funds bear interest, at the Company's option, at an annual rate of (a) 3.25% plus LIBOR or (b) 2.25% plus the highest of (i) the federal funds rate plus 0.50%, (ii) Bank of America's published "prime rate" or (iii) LIBOR plus 1.00%. The fee for undrawn commitments is 0.375% per annum. The secured revolving credit facility is secured by certain of the Company's accounts receivable, inventory, machinery, equipment and other assets.

Vehicle and Other Loans

The Company has entered into various vehicle and other loan agreements with various financial institutions. The vehicle loans are secured by the vehicles financed.

2.75% Convertible Senior Notes Due in 2018

In October 2013, the Company issued $230.0 million in aggregate principal of 2.75% convertible senior notes due on November 1, 2018 through a public offering. The net proceeds from the offering, after deducting transaction costs, were $222.5 million. The debt issuance costs were recorded as a debt discount and are being amortized to interest expense over the contractual term of the convertible senior notes.

Each $1,000 of principal of the convertible senior notes is now, as a result of the acquisition by Tesla, convertible into 1.7838 shares of Tesla's common stock, which is equivalent to a conversion price of $560.60 per share, subject to adjustment upon the occurrence of specified events related to dividends, tender offers or exchange offers. Holders of the convertible senior notes may convert their convertible senior notes at their option at any time up to and including the second scheduled trading day prior to maturity. If certain events that would constitute a make-whole fundamental change, such as significant changes in ownership, corporate structure or tradability of Tesla's common stock, occur prior to the maturity date, the Company would increase the conversion rate for a holder who elects to convert its convertible senior notes in connection with such an event in certain circumstances. The maximum conversion rate is capped at 2.3635 shares for each $1,000 of principal of the convertible senior notes, which is equivalent to a minimum conversion price of $423.10 per share. The convertible senior notes do not have a cash conversion option. The convertible senior note holders may require the Company to repurchase their convertible senior notes for cash only under certain defined fundamental changes. Furthermore, upon the acquisition by Tesla, the conversion feature now meets the criteria for bifurcation as an embedded derivative. Consequently, the value of the conversion feature is now accounted for separately (see Note 2, *Summary of Significant Accounting Policies and Procedures*).

1.625% Convertible Senior Notes Due in 2019

In September 2014, the Company issued $500.0 million in aggregate principal of 1.625% convertible senior notes due on November 1, 2019 through a private placement. The net amount from the issuance, after deducting transaction costs, was $488.3 million. On October 10, 2014, the Company issued an additional $66.0 million in aggregate principal of the 1.625% convertible senior notes, pursuant to the exercise of an option by the initial purchasers. The net amount from the additional issuance, after deducting transaction costs, was $64.5 million. The debt issuance costs were recorded as a debt discount and are being amortized to interest expense over the contractual term of the convertible senior notes.

Each $1,000 of principal of the convertible senior notes is now, as a result of the acquisition by Tesla, convertible into 1.3169 shares of Tesla's common stock, which is equivalent to a conversion price of $759.36 per share, subject to adjustment upon the occurrence of specified events related to dividends, tender offers or exchange offers. Holders of the convertible senior notes may convert their convertible senior notes at their option at any time up to and including the second scheduled trading day prior to maturity. If certain events that would constitute a make-whole fundamental change, such as significant changes in ownership, corporate structure or tradability of Tesla's common stock, occur prior to the maturity date, the Company would increase the conversion rate for a holder who elects to convert its convertible senior notes in connection with such an event in certain circumstances. The maximum conversion rate is capped at 1.7449 shares for each $1,000 of principal of the convertible senior notes, which is equivalent to a minimum conversion price of $573.10 per share. The convertible senior notes do not have a cash conversion option. The convertible senior note holders may require the Company to repurchase their convertible senior notes for cash only under certain defined fundamental changes. Furthermore, upon the acquisition by Tesla, the conversion feature now meets the criteria for bifurcation as an embedded derivative. Consequently, the value of the conversion feature is now accounted for separately (see Note 2, *Summary of Significant Accounting Policies and Procedures*).

In connection with the issuance of the convertible senior notes in September 2014, the Company paid $57.6 million to enter into capped call option agreements to reduce the potential equity dilution upon conversion of the convertible senior notes. In connection with the additional issuance of the convertible senior notes on October 10, 2014, the Company paid $7.6 million to enter into an additional capped call option agreement. Specifically, upon the exercise of the capped call options, the Company would now, as a result of the acquisition by Tesla, receive shares of Tesla's common stock equal to 745,377 shares multiplied by (a) (i) the lower of $1,146.18 or the then market price of Tesla's common stock less (ii) $759.36 and divided by (b) the then market price of Tesla's common stock. The results of this formula are that the Company would receive more shares as the market price of Tesla's common stock exceeds $759.36 and approaches $1,146.18, but the Company would receive fewer shares as the market price of Tesla's common stock exceeds $1,146.18. Consequently, if the convertible senior notes are converted, then the number of shares to be issued by Tesla would be effectively partially offset by the shares received by the Company under the capped call options as they are exercised. The Company can also elect to receive the equivalent value of cash in lieu of shares. The capped call options expire on various dates ranging from September 4, 2019 to October 29, 2019, and the formula above would be adjusted in the event of a merger; a tender offer; nationalization; insolvency; delisting of the Company's common stock; changes in law; failure to deliver; insolvency filing; stock splits, combinations, dividends, repurchases or similar events; or an announcement of certain of the preceding actions. Although intended to reduce the net number of shares issued after a conversion of the convertible senior notes, the capped call options were separately negotiated transactions, are not a part of the terms of the convertible senior notes, do not affect the rights of the convertible senior note holders and will take effect regardless of whether the convertible senior notes are actually converted. The capped call options previously met the criteria for equity classification because they were indexed to the Company's common stock and the Company always controls whether settlement will be in shares or cash. As a result, the amounts paid for the capped call options were previously recorded as reductions to additional paid-in capital. However, upon the acquisition by Tesla, the capped call options no longer met the criteria for equity classification and are now accounted for as derivatives (see Note 2, *Summary of Significant Accounting Policies and Procedures*).

Zero-Coupon Convertible Senior Notes Due in 2020

In December 2015, the Company issued $113.0 million in aggregate principal of zero-coupon convertible senior notes due on December 1, 2020 through a private placement. $13.0 million of the convertible senior notes were issued to related parties and are separately presented on the consolidated balance sheets (see Note 22, *Related Party Transactions*). The net proceeds from the offering, after deducting debt issuance costs, were $112.8 million. The debt issuance costs were recorded as a debt discount and are being amortized to interest expense over the contractual term of the convertible senior notes.

Each $1,000 of principal of the convertible senior notes is now, as a result of the acquisition by Tesla, convertible into 3.3333 shares of Tesla's common stock, which is equivalent to a conversion price of $300.00 per share, subject to adjustment upon the occurrence of specified events related to dividends, tender offers or exchange offers. Holders of the convertible senior notes may convert their convertible senior notes at their option at any time up to and including the second scheduled trading day prior to maturity. If certain events that would constitute a make-whole fundamental change, such as significant changes in ownership, corporate structure or tradability of Tesla's common stock, occur prior to the maturity date, the Company would increase the conversion rate for a holder who elects to convert its convertible senior notes in connection with such an event in certain circumstances. The maximum conversion rate is capped at 4.2308 shares for each $1,000 of principal of the convertible senior notes, which is equivalent to a minimum conversion price of $236.36 per share. The convertible senior notes do not have a cash conversion option. The convertible senior note holders may require the Company to repurchase their convertible senior notes for cash only under certain defined fundamental changes. On or after June 30, 2017, the convertible senior notes will be redeemable by the Company in the event that the closing price of Tesla's common stock exceeds 200% of the conversion price for 45 consecutive trading days ending within three trading days of such redemption notice at a redemption price of par plus accrued and unpaid interest to, but excluding, the redemption date. Furthermore, upon the acquisition by Tesla, the conversion feature now meets the criteria for bifurcation as an embedded derivative. Consequently, the value of the conversion feature is now accounted for separately (see Note 2, *Summary of Significant Accounting Policies and Procedures*).

Solar Bonds

In October 2014, the Company commenced issuing Solar Bonds, which are senior unsecured obligations that are structurally subordinate to the indebtedness and other liabilities of the Company's subsidiaries. Solar Bonds have been issued under multiple series that have various fixed terms and interest rates. In September 2015, the Company commenced issuing Solar Bonds with variable interest rates that reset quarterly and that can be redeemed quarterly at the option of the bondholder or the Company, with 30-day advance notice.

In March 2015, Space Exploration Technologies Corporation, or SpaceX, purchased $90.0 million in aggregate principal amount of 2.00% Solar Bonds due in March 2016. In June 2015, SpaceX purchased an additional $75.0 million in aggregate principal amount of 2.00% Solar Bonds due in June 2016. In March 2016, $90.0 million in aggregate principal amount of the Solar Bonds held by SpaceX matured, and the proceeds were reinvested by SpaceX in $90.0 million in aggregate principal amount of 4.40% Solar Bonds due in March 2017. In June 2016, $75.0 million in aggregate principal amount of the Solar Bonds held by SpaceX matured, and the proceeds were reinvested by SpaceX in $75.0 million in aggregate principal amount of 4.40% Solar Bonds due in June 2017.

In August 2016, Tesla's Chief Executive Officer, the Company's Chief Executive Officer and the Company's Chief Technology Officer purchased $100.0 million in aggregate principal amount of 6.50% Solar Bonds due in February 2018.

SpaceX, Tesla's Chief Executive Officer, the Company's Chief Executive Officer and the Company's Chief Technology Officer were considered related parties; the Company has also issued Solar Bonds to other related parties; and such Solar Bonds are separately presented on the consolidated balance sheets (see Note 22, *Related Party Transactions*).

Non-Recourse Debt Facilities:

Term Loan Due in May 2016

On May 23, 2014, a subsidiary of the Company entered into an agreement with a syndicate of banks for a term loan. The term loan bore interest at an annual rate of 3.00% to 4.00%, depending on the cumulative period the term loan was been outstanding, plus LIBOR or, at the Company's option, plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) Bank of America's published "prime rate" or (iii) LIBOR plus 1.00%. The term loan was secured by certain assets and cash flows of the subsidiary and was non-recourse to the Company's other assets or cash flows. In the first quarter of 2016, the Company fully repaid the term loan.

Term Loan Due in December 2016

On February 4, 2014, a subsidiary of the Company entered into an agreement with a syndicate of banks for a term loan. The term loan bore interest at an annual rate of LIBOR plus 3.25% or, at the Company's option, 3.25% plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) Bank of America's published "prime rate" or (iii) LIBOR plus 1.00%. The term loan was secured by the assets and cash flows of the subsidiary and was non-recourse to the Company's other assets or cash flows. During 2016, the Company fully repaid the term loan.

Term Loan Due in December 2017

On March 31, 2016, a subsidiary of the Company entered into an agreement for a term loan. The term loan bears interest at an annual rate of the lender's cost of funds plus 3.25%. The fee for undrawn commitments is 0.85% per annum. The term loan is secured by substantially all of the assets and cash flows of the subsidiary and is non-recourse to the Company's other assets or cash flows.

Term Loan Due in January 2021

In January 2016, a subsidiary of the Company entered into an agreement with a syndicate of banks for a term loan. The term loan bears interest at an annual rate of three-month LIBOR plus 3.50%. The term loan is secured by substantially all of the assets of the subsidiary, including its interests in certain financing funds, and is non-recourse to the Company's other assets. During 2016, the Company repaid $4.4 million of the principal outstanding under the term loan.

MyPower Revolving Credit Facility

On January 9, 2015, a subsidiary of the Company entered into a $200.0 million revolving credit agreement with a syndicate of banks to obtain funding for the MyPower customer loan program. The MyPower revolving credit facility initially provided up to $160.0 million of Class A notes and up to $40.0 million of Class B notes. On December 16, 2015, the committed amount under the Class A notes was increased to $200.0 million. On September 30, 2016, the committed amount under the Class A notes was decreased to $155.0 million, and the committed amount under the Class B notes was decreased to $35.0 million. The Class A notes bear interest at an annual rate of 2.50% plus (a) the commercial paper rate or (b) 1.50% plus adjusted LIBOR. The Class B notes bear interest at an annual rate of 5.00% plus LIBOR. The fee for undrawn commitments under the Class A notes is 0.50% per annum. The fee for undrawn commitments under the Class B notes is 0.50% per annum. The MyPower revolving credit facility is secured by the payments owed to the Company or its subsidiaries under MyPower customer loans and is non-recourse to the Company's other assets.

Revolving Aggregation Credit Facility

On May 4, 2015, a subsidiary of the Company entered into an agreement with a syndicate of banks for a revolving aggregation credit facility. On March 23, 2016, the agreement was amended to modify the interest rates, extend the availability period and extend the maturity date. The revolving aggregation credit facility bears interest at an annual rate of 3.25% plus (i) for commercial paper loans, the commercial paper rate and (ii) for LIBOR loans, at the Company's option, three-month LIBOR or daily LIBOR. The revolving aggregation credit facility is secured by certain assets and cash flows of certain subsidiaries of the Company and is non-recourse to the Company's other assets or cash flows.

Solar Renewable Energy Credit Term Loans

On March 31, 2016, a subsidiary of the Company entered into an agreement for a term loan. The term loan bears interest at an annual rate of one-month LIBOR plus 9.00% or, at the Company's option, 8.00% plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the prime rate or (iii) one-month LIBOR plus 1.00%. The term loan is secured by substantially all of the assets of the subsidiary, including its rights under forward contracts to sell solar renewable energy credits, and is non-recourse to the Company's other assets.

On July 14, 2016, the same subsidiary entered into an agreement for another term loan. The term loan bears interest at an annual rate of one-month LIBOR plus 5.75% or, at the Company's option, 4.75% plus the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the prime rate or (iii) one-month LIBOR plus 1.00%. The term loan is secured by substantially all of the assets of the subsidiary, including its rights under forward contracts to sell solar renewable energy credits, and is non-recourse to the Company's other assets.

During 2016, the Company repaid $18.6 million of the principal outstanding under the term loans.

Cash Equity Debt I

In connection with the cash equity financing on May 2, 2016 discussed in Note 11, *Cash Equity Financings*, the Company issued $121.7 million in aggregate principal of debt that bears interest at a fixed rate of 5.65% per annum. This debt is secured by, among other things, the Company's interests in certain financing funds and is non-recourse to the Company's other assets.

Cash Equity Debt II

In connection with the cash equity financing on September 8, 2016 discussed in Note 11, the Company issued $210.0 million in aggregate principal of debt that bears interest at a fixed rate of 5.25% per annum. This debt is secured by, among other things, the Company's interests in certain financing funds and is non-recourse to the Company's other assets.

Cash Equity Debt III

In connection with the cash equity financing on December 16, 2016 discussed in Note 11, the Company issued $170.0 million in aggregate principal of debt that bears interest at a fixed rate of 5.81% per annum. This debt is secured by, among other things, the Company's interests in certain financing funds and is non-recourse to the Company's other assets.

Solar Asset-backed Notes, Series 2013-1

In November 2013, the Company pooled and transferred qualifying solar energy systems and the associated customer contracts into a SPE and issued $54.4 million in aggregate principal of Solar Asset-backed Notes, Series 2013-1, backed by these solar assets to investors. The SPE is wholly owned by the Company and is consolidated in the Company's financial statements. Accordingly, the Company did not recognize a gain or loss on the transfer of these solar assets. As of December 31, 2016, these solar assets had a carrying value of $133.0 million and are included under solar energy systems, leased and to be leased — net, in the consolidated balance sheets. The Solar Asset-backed Notes were issued at a discount of 0.05%. The cash flows generated by these solar assets are used to service the monthly principal and interest payments on the Solar Asset-backed Notes and satisfy the SPE's expenses, and any remaining cash is distributed to a wholly owned subsidiary of the Company. The Company recognizes revenue earned from the associated customer contracts in accordance with the Company's revenue recognition policy. The SPE's assets and cash flows are not available to the other creditors of the Company, and the creditors of the SPE, including the Solar Asset-backed Note holders, have no recourse to the Company's other assets. The Company contracted with the SPE to provide operations and maintenance and administrative services for the qualifying solar energy systems.

In connection with the pooling of the assets that were transferred to the SPE in November 2013, the Company terminated a lease pass-through arrangement with an investor. The lease pass-through arrangement had been accounted for as a borrowing and any amounts outstanding from the lease pass-through arrangement were recorded as a lease pass-through financing obligation. The balance that was then outstanding from the lease pass-through arrangement was $56.4 million. The Company paid the investor an aggregate of $40.2 million, and the remaining balance is to be paid over time. The remaining balance is paid using the net cash flows generated by the same assets previously leased under the lease pass-through arrangement, after payment of the principal and interest on the Solar Asset-backed Notes and expenses related to the assets and the Notes, including asset management fees, custodial fees and trustee fees, and was contractually documented as a right to participate in future cash flows of the SPE. This right to participate in future residual cash flows generated by the assets of the SPE has been recorded as a component of other liabilities and deferred credits for the non-current portion and as a component of accrued and other current liabilities for the current portion under the caption "participation interest." The Company accounts for the participation interest as a liability because the investor has no voting or management rights in the SPE, the participation interest would terminate upon the investor achieving a specified return and the investor has the option to put the participation interest to the Company on August 3, 2021 for the amount necessary for the investor to achieve the specified return, which would require the Company to settle the participation interest in cash. In addition, under the terms of the participation interest, the Company has the option to purchase the participation interest from the investor for the amount necessary for the investor to achieve the specified return.

Solar Asset-backed Notes, 2014-1

In April 2014, the Company pooled and transferred qualifying solar energy systems and the associated customer contracts into a SPE and issued $70.2 million in aggregate principal of Solar Asset-backed Notes, Series 2014-1, backed by these solar assets to investors. The SPE is wholly owned by the Company and is consolidated in the Company's financial statements. Accordingly, the Company did not recognize a gain or loss on the transfer of these solar assets. As of December 31, 2016, these solar assets had a carrying value of $124.8 million and are included under solar energy systems, leased and to be leased — net, in the consolidated balance sheets. The Solar Asset-backed Notes were issued at a discount of 0.01%. The cash flows generated by these solar assets are used to service the monthly principal and interest payments on the Solar Asset-backed Notes and satisfy the SPE's expenses, and any remaining cash is distributed to a wholly owned subsidiary of the Company. The Company recognizes revenue earned from the associated customer contracts in accordance with the Company's revenue recognition policy. The SPE's assets and cash flows are not available to the other creditors of the Company, and the creditors of the SPE, including the Solar Asset-backed Note holders, have no recourse to the Company's other assets. The Company contracted with the SPE to provide operations and maintenance and administrative services for the qualifying solar energy systems.

Solar Asset-backed Notes, Series 2014-2

In July 2014, the Company pooled and transferred qualifying solar energy systems and the associated customer contracts into a SPE and issued $160.0 million in aggregate principal of Solar Asset-backed Notes, Series 2014-2, Class A, and $41.5 million in aggregate principal of Solar Asset-backed Notes, Series 2014-2, Class B, backed by these solar assets to investors. The SPE is wholly owned by the Company and is consolidated in the Company's financial statements. Accordingly, the Company did not recognize a gain or loss on the transfer of these solar assets. As of December 31, 2016, these solar assets had a carrying value of $265.7 million and are included under solar energy systems, leased and to be leased — net, in the consolidated balance sheets. The Solar Asset-backed Notes were issued at a discount of 0.01%. These solar assets and the associated customer contracts are leased to an investor under a lease pass-through arrangement that the Company has accounted for as a borrowing. The rent paid by the investor under the lease pass-through arrangement is used (and, following the expiration of the lease pass-through arrangement, the cash generated by these solar assets will be used) to service the semi-annual principal and interest payments on the Solar Asset-backed Notes and satisfy the SPE's expenses, and any remaining cash is distributed to a wholly owned subsidiary of the Company. The Company recognizes revenue earned from the associated customer contracts in accordance with the Company's revenue recognition policy. The SPE's assets and cash flows are not available to the other creditors of the Company, and the creditors of the SPE, including the Solar Asset-backed Note holders, have no recourse to the Company's other assets. The Company contracted with the SPE to provide operations and maintenance and administrative services for certain of the qualifying solar energy systems.

Solar Asset-backed Notes, Series 2015-1

In August 2015, the Company pooled and transferred its interests in certain financing funds into a SPE and issued $103.5 million in aggregate principal of Solar Asset-backed Notes, Series 2015-1, Class A, and $20.0 million in aggregate principal of Solar Asset-backed Notes, Series 2015-1, Class B, backed by these solar assets to investors. The SPE is wholly owned by the Company and is consolidated in the Company's financial statements. Accordingly, the Company did not recognize a gain or loss on

the transfer of these solar assets and continues to consolidate the underlying financing funds (see Note 13, *VIE Arrangements*). The Solar Asset-backed Notes were issued at a discount of 0.05% for Class A and 1.46% for Class B. The cash distributed by the underlying financing funds to the SPE are used to service the semi-annual principal and interest payments on the Solar Asset-backed Notes and satisfy the SPE's expenses, and any remaining cash is distributed to a wholly owned subsidiary of the Company. The SPE's assets and cash flows are not available to the other creditors of the Company, and the creditors of the SPE, including the Solar Asset-backed Note holders, have no recourse to the Company's other assets.

Solar Asset-backed Notes, Series 2016-1

In February 2016, the Company transferred qualifying solar energy systems and the associated customer contracts into a SPE and issued $52.2 million in aggregate principal of Solar Asset-backed Notes, Series 2016-1, backed by these solar assets to investors. The SPE is wholly owned by the Company and is consolidated in the Company's financial statements. Accordingly, the Company did not recognize a gain or loss on the transfer of these solar assets. As of December 31, 2016, these solar assets had a carrying value of $71.7 million and are included under solar energy systems, leased and to be leased — net, in the consolidated balance sheets. The Solar Asset-backed Notes were issued at a discount of 6.71%. These solar assets and the associated customer contracts are leased to an investor under a lease pass-through arrangement that the Company has accounted for as a borrowing. The rent paid by the investor under the lease pass-through arrangement is used (and, following the expiration of the lease pass-through arrangement, the cash generated by these solar assets will be used) to service the semi-annual principal and interest payments on the Solar Asset-backed Notes and satisfy the SPE's expenses, and any remaining cash is distributed to a wholly owned subsidiary of the Company. The Company recognizes revenue earned from the associated customer contracts in accordance with the Company's revenue recognition policy. The SPE's assets and cash flows are not available to the other creditors of the Company, and the creditors of the SPE, including the Solar Asset-backed Note holders, have no recourse to the Company's other assets. The Company contracted with the SPE to provide operations and maintenance and administrative services for certain of the qualifying solar energy systems.

Solar Loan-backed Notes, Series 2016-A

On January 21, 2016, the Company pooled and transferred certain MyPower customer notes receivable into a SPE and issued $151.6 million in aggregate principal of Solar Loan-backed Notes, Series 2016-A, Class A, and $33.4 million in aggregate principal of Solar Loan-backed Notes, Series 2016-A, Class B, backed by these notes receivable to investors. The SPE is wholly owned by the Company and is consolidated in the Company's financial statements. Accordingly, the Company did not recognize a gain or loss on the transfer of these notes receivable. The Solar Loan-backed Notes were issued at a discount of 3.22% for Class A and 15.90% for Class B. The payments received by the SPE under these notes receivable are used to service the semi-annual principal and interest payments on the Solar Loan-backed Notes and satisfy the SPE's expenses, and any remaining cash is distributed to a wholly owned subsidiary of the Company. The SPE's assets and cash flows are not available to the other creditors of the Company, and the creditors of the SPE, including the Solar Loan-backed Note holders, have no recourse to the Company's other assets.

Schedule of Principal Maturities of Debt

The future scheduled principal maturities of debt as of December 31, 2016 were as follows (in thousands):

	Recourse Debt Excluding Convertible Senior Notes	Non-Recourse Debt	Convertible Senior Notes	Total
2017	$ 563,017	$ 265,567	$ —	$ 828,584
2018	131,564	479,792	230,000	841,356
2019	781	52,978	566,000	619,759
2020	14,994	50,830	113,000	178,824
2021	2,326	195,599	—	197,925
Thereafter	7,149	906,808	—	913,957
Total	$ 719,831	$ 1,951,574	$ 909,000	$ 3,580,405

13. VIE Arrangements

The Company has entered into various arrangements with investors to facilitate funding and monetization of solar energy systems. These arrangements include those described in this Note 13, *VIE Arrangements*, as well as those described in Note 14, *Lease Pass-Through Financing Obligation*, Note 15, *Sale-Leaseback Arrangements*, and Note 16, *Sale-Leaseback Financing Obligation*.

Wholly owned subsidiaries of the Company and fund investors formed and contributed cash or assets to various financing funds and entered into related agreements. The following table shows the number of funds by investor classification, carrying value of the solar energy systems in the funds, total investor contributions received and undrawn investor contributions as of December 31, 2016 (in thousands, except for number of funds, and unaudited) for funds that have been determined to be VIEs:

Investor Classification	Number of Funds	Total Investor Contributions Received	Undrawn Investor Contributions	Carrying Value of Solar Energy Systems
Financial institutions	34	$ 2,623,918	$ 106,850	$ 2,658,407
Corporations	8	1,020,058	130,209	1,038,946
Utilities	4	278,888	35,033	274,764
Other investors	1	1,788	—	3,097.0
Total	47	$ 3,924,652	$ 272,092	$ 3,975,214

The Company has determined that the funds are VIEs and it is the primary beneficiary of these VIEs by reference to the power and benefits criterion under ASC 810, *Consolidation*. The Company has considered the provisions within the contractual agreements, which grant it power to manage and make decisions that affect the operation of these VIEs, including determining the solar energy systems and associated customer contracts to be sold or contributed to these VIEs, the redeployment of solar energy systems and management of customer receivables. The Company considers that the rights granted to the fund investors under the contractual agreements are more protective in nature rather than participating.

Pursuant to management services, maintenance and warranty arrangements, the Company has been contracted to provide services to the funds, such as operations and maintenance support, accounting, lease servicing and performance reporting. In some instances, the Company has guaranteed payments to the investors as specified in the contractual agreements. A fund's creditors have no recourse to the general credit of the Company or to that of other funds. None of the assets of the funds have been pledged as collateral for their obligations.

As the primary beneficiary of these VIEs, the Company consolidates in its financial statements the financial position, results of operations and cash flows of these VIEs, and all intercompany balances and transactions between the Company and these VIEs are eliminated in the consolidated financial statements.

Cash distributions of income and other receipts by a fund, net of agreed upon expenses, estimated expenses, tax benefits and detriments of income and loss and tax credits, are allocated to the fund investor and the Company's subsidiary as specified in contractual agreements.

Generally, the Company's subsidiary has the option to acquire the fund investor's interest in the fund for an amount based on the market value of the fund or the formula specified in the contractual agreements.

As of December 31, 2016 and 2015, the Company was contractually required to make payments to a fund investor in order to ensure the investor is projected to achieve a specified minimum return annually. The amounts of any potential future payments under this guarantee are dependent on the amounts and timing of future distributions to the investor from the fund, the tax benefits that accrue to the investor from the fund's activities and the amount and timing of the Company's purchase of the investor's interest in the fund or the amount and timing of the distributions to the investor upon liquidation of the fund. Due to uncertainties associated with estimating the amount and timing of distributions to the investor and the possibility and timing of the liquidation of the fund, the Company is unable to determine the potential maximum future payments that it would have to make under this guarantee.

Upon the sale or liquidation of a fund, distributions would occur in the order and priority specified in the contractual agreements.

The Company presents the solar energy systems in the VIEs under solar energy systems, leased and to be leased – net in the consolidated balance sheets. The aggregate carrying values of the VIEs' assets and liabilities, after elimination of intercompany transactions and balances, in the consolidated balance sheets were as follows (in thousands):

	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	$ 44,091	$ 32,105
Restricted cash	20,916	44
Accounts receivable - net	16,023	10,116
Rebates receivable	6,646	6,220
Prepaid expenses and other current assets	7,532	1,740
Total current assets	95,208	50,225
Solar energy systems, leased and to be leased - net	3,975,214	2,779,363
Other assets	63,050	11,204
Total assets	$ 4,133,472	$ 2,840,792
Liabilities		
Current liabilities:		
Accounts payable	$ 20	$ —
Distributions payable to noncontrolling interests and redeemable noncontrolling interests	24,085	26,769
Current portion of deferred U.S. Treasury grant income	6,506	6,506
Accrued and other current liabilities	8,524	598
Customer deposits	1,169	2,928
Current portion of deferred revenue	44,050	24,794
Current portion of long-term debt	87,467	—
Total current liabilities	171,821	61,595
Deferred revenue, net of current portion	394,920	308,798
Long-term debt, net of current portion	475,537	—
Deferred U.S. Treasury grant income, net of current portion	157,665	164,191
Other liabilities and deferred credits	92,410	28,460
Total liabilities	$ 1,292,353	$ 563,044

The Company is contractually obligated to make certain fund investors whole if they suffer certain losses resulting from the disallowance or recapture of ITCs or U.S. Treasury grants. The Company accounts for distributions due to the fund investors arising from a reduction of anticipated ITCs or U.S. Treasury grants received under distributions payable to noncontrolling interests and redeemable noncontrolling interests in the consolidated balance sheets. As of December 31, 2016 and 2015, the Company had accrued $0.3 million and $2.7 million, respectively, for this obligation.

14. Lease Pass-Through Financing Obligation

Through December 31, 2016, the Company had entered into eight transactions referred to as "lease pass-through fund arrangements." Under these arrangements, the Company's wholly owned subsidiaries finance the cost of solar energy systems with investors through arrangements contractually structured as master leases for an initial term ranging between 10 and 25 years. These solar energy systems are subject to lease or power purchase agreements with customers with an initial term not exceeding 20 years. These solar energy systems are included under solar energy systems, leased and to be leased – net in the consolidated balance sheets. As discussed in Note 12, *Indebtedness,* in November 2013, in connection with the Company pooling assets for purposes of issuing Solar Asset-backed Notes, the Company terminated a lease pass-through fund arrangement with an investor.

The cost of the solar energy systems under the lease pass-through fund arrangements as of December 31, 2016 and 2015 was $963.4 million and $670.5 million, respectively. The accumulated depreciation related to these assets as of December 31, 2016 and 2015 was $76.8 million and $52.8 million, respectively. The total lease pass-through financing obligation as of December 31, 2016

and 2015 was $120.5 million and $89.5 million, respectively, of which $51.5 million and $34.0 million, respectively, was classified as current liabilities.

Under lease pass-through fund arrangements, the investors make a large upfront payment to the lessor, which is a subsidiary of the Company, and in some cases, subsequent periodic payments. The Company allocates a portion of the aggregate payments received from the investors to the estimated fair value of the assigned ITCs, and the balance to the future customer lease payments that are also assigned to the investors. The estimated fair value of the ITCs are determined by discounting the estimated cash flows impact of the ITCs using an appropriate discount rate that reflects a market interest rate. The Company has an obligation to ensure the solar energy system is in service and operational for a term of five years to avoid any recapture of the ITCs. The amounts allocated to ITCs are initially recorded as deferred revenue on the consolidated balance sheets, and subsequently, one-fifth of the amounts allocated to ITCs is recognized as revenue from operating leases and solar energy systems incentives on the consolidated statements of operations on each anniversary of the solar energy system's placed in service date over the next five years.

The Company accounts for the residual of the payments received from the investors as a borrowing by recording the proceeds received as a lease pass-through financing obligation, which is repaid from U.S. Treasury grants (where applicable), customer payments and incentive rebates that are expected to be received by the investors. Under this approach, the Company continues to account for the arrangement with the customers in its consolidated financial statements, whether the cash generated from the customer arrangements is received by the Company or paid directly to the investors. A portion of the amounts received by the investors from U.S. Treasury grants (where applicable), customer payments and incentive rebates is applied to reduce the lease pass-through financing obligation, and the balance is allocated to interest expense. The incentive rebates and customer payments are recognized into revenue consistent with the Company's revenue recognition accounting policy. The U.S. Treasury grants are initially recorded as deferred U.S. Treasury grants income and subsequently recognized as a reduction to depreciation expense, consistent with the Company's accounting policy for recognition of U.S. Treasury grants income. Interest is calculated on the lease pass-through financing obligation using the effective interest rate method. The effective interest rate is the interest rate that equates the present value of the cash amounts to be received by an investor over the master lease term with the present value of the cash amounts paid by the investor to the Company, adjusted for any payments made by the Company. The lease pass-through financing obligation is non-recourse once the associated assets have been placed in service and all the customer arrangements have been assigned to the investors.

As of December 31, 2016, the future minimum lease payments to be received from the investors based on the solar energy systems currently under the lease pass-through fund arrangements, for each of the next five years and thereafter, were as follows (in thousands):

2017	$	37,208
2018		37,653
2019		36,371
2020		35,622
2021		35,413
Thereafter		381,289
Total	$	563,556

For two of the lease pass-through fund arrangements, the Company's subsidiaries have pledged its assets to the investors as security for their obligations under the contractual agreements.

For each of the lease pass-through fund arrangements, the Company is required to comply with certain financial covenants specified in the contractual agreements, which the Company had met as of December 31, 2016. In addition, the Company is responsible for any warranties, performance guarantees, accounting and performance reporting. Furthermore, there is a one-time future lease payment reset mechanism that is set to occur after all of the solar energy systems are delivered and placed in service in a fund. This reset date occurs when the installed capacity of the solar energy systems and their in-service dates are known or on an agreed upon date. As part of this reset process, the lease prepayment is updated to reflect certain specified conditions as they exist at such date, including the final installed capacity, cost and placed-in-service dates of the solar energy systems. As a result of this reset process, the Company might be obligated to refund a portion of an investor's master lease prepayments or might be entitled to receive an additional master lease prepayment from an investor. Any additional master lease prepayments by an investor would be recorded as an additional lease pass-through financing obligation, while any refunds of master lease prepayments would reduce the lease pass-through financing obligation.

15. Sale-Leaseback Arrangements

In 2010, the Company executed a sale-leaseback arrangement with an existing investor, under which a wholly owned subsidiary of the Company entered into a 15-year master leaseback arrangement. The assets sold to the investor were valued at $25.2 million. The Company's subsidiary leased the solar energy systems to end-user customers. The obligations of the Company's subsidiary to the investor are guaranteed by the Company and supported by a $0.25 million restricted cash escrow. Under this arrangement, the Company's subsidiary is responsible for services such as warranty support, accounting, lease servicing and performance reporting.

As of December 31, 2016 and 2015, the Company had contributed assets with a cost of $44.6 million to its wholly owned subsidiary that in turn sold the assets to a new investor and then executed a 15-year master leaseback agreement with the investor. Under this arrangement, the tax benefits from ITCs or Treasury grants in lieu of tax credits inure to the investor as the owner of the assets.

The Company has committed to make investors that have executed sale-leaseback arrangements with the Company whole for any reductions in the tax credit or U.S. Treasury awards resulting from changes in the tax basis submitted. The Company accrues any such payments due to these investors. As of December 31, 2016, no such amounts were due to these investors.

16. Sale-Leaseback Financing Obligation

In November 2009, the Company entered into an arrangement with an investor to finance the development, construction and installation of a ground mounted solar energy system that was leased to a customer. The Company also entered into an agreement to sell the system to the investor for a cash consideration of $27.2 million, of which $23.7 million has been received as of December 31, 2016 and the balance of $3.5 million is receivable at the end of the lease period and accrues interest at an annual rate of 4.37%. Concurrent with the sale, a subsidiary of the Company entered into an agreement with the investor to lease back the solar energy system from the investor with lease payments being made on a quarterly basis. The Company's subsidiary has the option to purchase the system at the end of the lease term of 10 years for a price which is the greater of the fair market value or a predetermined agreed upon value. Additionally, the investor has the option to put its interest in the solar energy system to the Company within two years following the expiry of six years after placement in service of the system, for the amount that is the greater of the fair value of the system or the predetermined agreed upon value. As a result of these put and call options, the Company has concluded that it has a continuing involvement with the solar energy system.

The Company has determined that the ground mounted solar energy system qualifies as integral equipment and therefore as a real estate transaction under ASC 360-20, *Real Estate Sales,* and has been accounted for as a financing. Under the financing method, the receipts from the investor are reflected as a sale-leaseback financing obligation on the consolidated balance sheets, and the Company retains the solar energy system asset on the consolidated balance sheets within solar energy systems and depreciates the solar energy system over its estimated useful life of 30 years. The Company also continues to report all of the results of the operations of the system, with the revenue and expenses from the system operations being presented on the consolidated statements of operations on a "gross" basis. As of December 31, 2016, the balance of the sale-leaseback financing obligation outstanding was $13.4 million, of which $0.5 million has been classified as current and the balance of $12.9 million has been classified as non-current. As of December 31, 2015, the balance of the sale-leaseback financing obligation outstanding was $13.9 million, of which $0.5 million has been classified as current and the balance of $13.4 million has been classified as non-current.

As of December 31, 2016, future minimum annual rentals to be received from the customer for each of the next five years and thereafter were as follows (in thousands):

2017	$ 494
2018	504
2019	514
2020	524
2021	535
Thereafter	1,720
Total	$ 4,291

The amounts in the table above are also included as part of the non-cancellable operating lease payments from customers disclosed in Note 5, *Non-cancellable Operating Lease Payments Receivable*.

As of December 31, 2016, future minimum annual payments to be paid to the investor under the financing arrangement for each of the next five years and thereafter were as follows (in thousands):

2017	$	1,270
2018		1,277
2019		1,284
2020		—
2021		—
Thereafter		—
Total	$	3,831

The obligations of the Company's subsidiary to the investor are guaranteed by the Company and supported by a $0.26 million restricted cash escrow.

17. Redeemable Noncontrolling Interests in Subsidiaries

Noncontrolling interests in subsidiaries that are redeemable at the option of the holder are classified as redeemable noncontrolling interests in subsidiaries between liabilities and equity in the consolidated balance sheets. The redeemable noncontrolling interests in subsidiaries balance is determined using the hypothetical liquidation at book value method for the VIE funds or allocation of share of income or losses in other subsidiaries subsequent to initial recognition, however, the noncontrolling interests balance cannot be less than the estimated redemption value. The activity of the redeemable noncontrolling interests in subsidiaries balance was as follows (in thousands):

Balance at January 1, 2014	$	44,709
Contributions from redeemable noncontrolling interests		260,492
Net loss		(141,072)
Distributions to redeemable noncontrolling interests		(14,313)
Transfers from noncontrolling interests in subsidiaries		25,248
Redeemable noncontrolling interests arising from acquisition of Silevo		14,174
Acquisition of redeemable noncontrolling interests in subsidiaries		(2,450)
Balance at December 31, 2014		186,788
Contributions from redeemable noncontrolling interests		415,493
Net loss		(258,493)
Distributions to redeemable noncontrolling interests		(22,853)
Balance at December 31, 2015		320,935
Contributions from redeemable noncontrolling interests		572,840
Net loss		(485,568)
Distributions to redeemable noncontrolling interests		(50,920)
Acquisition of redeemable noncontrolling interests		(13,664)
Balance at December 31, 2016	$	343,623

The acquisition of redeemable noncontrolling interests above relates to the Company's purchase of the third-party investors' interests in the Chinese joint venture between one of its subsidiaries, Silevo, and the investors, for $13.7 million.

18. Equity

On November 21, 2016, each share of the Company's outstanding common stock was converted into 0.11 shares of Tesla's common stock as a result of its acquisition by Tesla (see Note 1, *Organization*). Following the acquisition, the Company has 100 shares of common stock issued and outstanding, all of which are held by Tesla.

19. Equity Award Plans

As a result of the Company's acquisition by Tesla, its equity award plans (as described below) were fully assumed by Tesla and its outstanding equity awards were converted into equity awards to acquire Tesla common stock in share amounts and prices based on the Exchange Ratio, with the equity awards retaining the same vesting and other terms and conditions as in effect immediately prior to the acquisition. The Company did not grant any equity awards from the acquisition date through December 31, 2016. The equity award plan descriptions below reflect the impacts of the acquisition.

Under the Company's 2012 Equity Incentive Plan, the Company granted incentive stock options, non-statutory stock options and restricted stock units, or RSUs, for the Company's common stock to employees, directors and consultants. Stock options were granted at exercise prices per share not less than 100% of the fair market value per share on the grant date. When an incentive stock option was granted to a 10% or greater holder of the Company's common stock, the exercise price per share was not less than 110% of the fair market value per share on the grant date. Stock options granted are exercisable over a maximum term of 10 years from the date of grant and generally vest over a period of four years. No additional equity awards will be granted under this plan.

In September 2012, the Company adopted a director compensation program for future non-employee directors. Under the director compensation program, each individual who joined the board of directors as a non-employee director following the adoption of the program received an initial stock option grant to purchase 30,000 shares of the Company's common stock at the time of initial election or appointment and additional triennial stock option grants to purchase 15,000 shares of the Company's common stock, as well as an annual cash retainer of $15,000, all of which were subject to continued service on the board of directors. Such non-employee directors who served on committees of the board of directors received various specified additional equity awards and cash retainers. Effective as of June 2015, the Company revised the director compensation program, pursuant to which non-employee directors received an initial stock option grant to purchase 33,333 shares of the Company's common stock at the time of initial election or appointment and additional triennial stock option grants to purchase 30,000 shares of the Company's common stock, as well as an annual cash retainer of $20,000, all of which were subject to continued service on the board of directors. Such non-employee directors who served on committees of the board of directors received various specified additional equity awards and cash retainers. All equity awards granted pursuant to the director compensation programs were granted under the terms of the Company's 2012 Equity Incentive Plan. Upon the Company's acquisition by Tesla, the unvested awards immediately vested and became fully exercisable, because the exercise prices exceeded the then current trading price of Tesla's common stock, these awards expired pursuant to their terms. No additional equity awards will be granted under this program.

Pursuant to the acquisition of Zep Solar, the Company assumed the Zep Solar, Inc. 2010 Equity Incentive Plan, or Zep Solar Plan, and issued fully vested stock options to purchase 303,151 shares of the Company's common stock to replace certain fully vested stock options originally issued by Zep Solar. No additional equity awards were or will be granted under this plan.

On September 15, 2015, the Chief Executive Officer and the Chief Technology Officer, who are the Company's founders, were granted non-statutory stock option awards of the Company's common stock with both market and performance vesting conditions, or Founder Awards. The exercise price per share of the Founder Awards was $48.97. The Chief Executive Officer's Founder Award would have entitled him to up to 3.0 million shares of the Company's common stock, and the Chief Technology Officer's Founder Award would have entitled him to up to 2.0 million shares of the Company's common stock. The Founder Awards had a maximum term of 10 years from the date of grant and vested in 10 equal tranches based on the achievement of specified operational goals and the 90-trading day average price of the Company's common stock achieving certain targets on specified measurement dates. As of immediately prior to the Company's acquisition by Tesla, no vesting tranches had been achieved and the Founder Awards were entirely unvested. Upon the Company's acquisition by Tesla, all vesting under the Founder Awards ceased, and the Founder Awards automatically expired pursuant to their original terms. Consequently, the Company reversed the previously recognized stock-based compensation expense for the Founder Awards, which resulted in a gain of $7.1 million to general and administrative expense.

Stock Options

A summary of stock option activity, presented in terms of Tesla's common stock, is as follows (in thousands, except per share amounts):

	Stock Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding - January 1, 2014	1,534	134.27	7.52	586,740
Granted (weighted-average fair value of $431.36)	610	597.18		
Exercised	(349)	58.00		185,822
Canceled	(260)	350.09		
Outstanding - December 31, 2014	1,535	299.00	7.64	342,293
Granted (weighted-average fair value of $284.00)	709	451.55		
Exercised	(105)	111.36		37,929
Canceled	(125)	509.73		
Outstanding - December 31, 2015	2,014	349.36	7.74	293,855
Granted (weighted-average fair value of $137.53)	142	235.81		
Exercised	(89)	60.60		12,754
Canceled	(873)	452.05		
Outstanding - December 31, 2016	1,194	$ 282.44	6.04	$ 90,408
Options vested and exercisable - December 31, 2014	719	$ 115.64	6.30	$ 272,140
Options vested and exercisable - December 31, 2015	883	$ 195.73	5.88	$ 258,310
Options vested and exercisable - December 31, 2016	901	$ 230.75	5.33	$ 88,387
Options vested and expected to vest - December 31, 2014	1,367	$ 274.09	7.46	$ 333,813
Options vested and expected to vest - December 31, 2015	1,670	$ 326.73	7.37	$ 287,673
Options vested and expected to vest - December 31, 2016	1,128	$ 268.38	5.89	$ 89,865

As of December 31, 2016, 34.3% of the unvested stock options outstanding had a performance feature that is required to be satisfied before they become vested and exercisable. The grant date fair market value of the stock options that vested in 2016, 2015 and 2014 was $80.0 million, $109.7 million and $54.9 million, respectively.

As of December 31, 2016 and 2015, there was $71.0 million and $265.3 million, respectively, of total unrecognized stock-based compensation expense, net of estimated forfeitures, related to unvested stock options, which are expected to be recognized over the weighted-average period of 3.70 years and 5.56 years, respectively.

Under ASC 718, the Company estimates the fair value of stock options granted on each grant date using the Black-Scholes option valuation model, except for the Founder Awards for which the Company used a Monte Carlo simulation, and applies the straight-line method of expense attribution, except for stock options with a performance feature, for which the Company applies graded vesting. The fair values were estimated on each grant date with the following weighted-average assumptions used in the Black-Scholes option valuation model:

	Year Ended December 31,		
	2016	2015	2014
Dividend yield	0%	0%	0%
Annual risk-free rate of return	1.50%	2.14%	1.95%
Expected volatility	61.94%	65.76%	83.66%
Expected term (years)	6.28	7.02	6.25

The expected volatility was calculated based on the average historical volatilities of the Company and publicly traded peer companies determined by the Company. The risk-free interest rate used was based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of the stock options to be valued. The expected dividend yield was zero, as the Company did not anticipate paying a dividend within the relevant time frame. The expected term was estimated using the simplified method allowed under ASC 718.

Restricted Stock Units

A summary of RSU activity, presented in terms of Tesla's common stock, is as follows (in thousands, except per share amounts):

	Restricted Stock Units	Weighted-Average Fair Value
Outstanding - January 1, 2014	2	$ 231.45
Granted	121	562.91
Released	(6)	552.82
Cancelled	(4)	589.00
Outstanding - December 31, 2014	113	556.00
Granted	367	436.27
Released	(43)	547.18
Cancelled	(43)	511.73
Outstanding - December 31, 2015	394	450.27
Granted	262	450.28
Vested	(132)	397.33
Cancelled	(162)	369.04
Outstanding - December 31, 2016	362	$ 505.99
Expected to vest - December 31, 2016	236	$ 315.46

The grant date fair value of RSUs vested was $50.3 million, $23.5 million and $3.2 million for the years ended December 31, 2016, 2015 and 2014, respectively. Under ASC 718, the Company determined the fair value of RSUs granted on each grant date based on the fair value of the Company's common stock on each grant date and applies the straight-line method of expense attribution. As of December 31, 2016 and 2015, there was $83.9 million and $121.5 million, respectively, of total unrecognized stock-based compensation expense, net of estimated forfeitures, from RSUs, which are expected to be recognized over the weighted-average period of 3.02 years and 3.31 years, respectively.

Stock-Based Compensation Expense

As part of the requirements of ASC 718, the Company is required to estimate potential forfeitures of equity awards and adjust stock-based compensation expense accordingly. The estimate of forfeitures is adjusted over the requisite service period to the extent that actual forfeitures differ, or are expected to differ. Consequently, changes in estimated forfeitures are recognized in the period of change and also impact the amount of stock-based compensation expense to be recognized in future periods.

The amount of stock-based compensation expense recognized in the years ended December 31, 2016, 2015 and 2014 was $75.1 million, $116.8 million and $88.9 million, respectively. The amount of capitalized stock-based compensation expense was as follows (in thousands):

	Year Ended December 31,	
	2016	2015
Capitalized under:		
Inventories	$ (157)	$ 226
Other assets	$ 666	$ 3,136
Property, plant and equipment - net	$ 3,422	$ 2,997
Solar energy systems, leased and to be leased - net	$ 21,755	$ 24,075

Stock-based compensation expense was included in cost of revenue and operating expenses as follows (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Total cost of revenue	$ 3,692	$ 2,855	$ 2,251
Sales and marketing	$ 19,124	$ 24,176	$ 16,391
General and administrative	$ 18,193	$ 45,135	$ 40,897
Pre-production expense	$ (496)	$ —	$ —
Research and development	$ 8,853	$ 14,203	$ 6,023

20. Income Taxes

The following table presents the domestic and foreign components of (loss) income before income taxes for the periods presented (in thousands):

	Year Ended December 31,		
	2016	2015	2014
United States	$ (1,849,436)	$ (1,467,184)	$ (718,416)
Noncontrolling interest and redeemable noncontrolling interests	1,059,121	710,492	319,196
Foreign	(30,340)	(8,804)	(2,746)
Total	$ (820,655)	$ (765,496)	$ (401,966)

The income tax provision (benefit) was composed of the following (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Current:			
Federal	$ 206	$ 2,946	$ 10
State	272	812	473
Foreign	106	95	100
Total current provision	584	3,853	583
Deferred:			
Federal	370	13	(26,528)
State	50	3	(791)
Foreign	(1,312)	(543)	—
Total deferred provision	(892)	(527)	(27,319)
Total provision (benefit) for income taxes	$ (308)	$ 3,326	$ (26,736)

The following table presents a reconciliation of the federal statutory rate and the Company's effective tax rate for the periods presented:

	Year Ended December 31,		
	2016	2015	2014
Tax benefit at federal statutory rate	(35.00)%	(35.00)%	(34.00)%
State income taxes (net of federal benefit)	0.58	(5.66)	(1.71)
Foreign income and withholding taxes	0.64	(0.04)	0.44
Noncontrolling interests and redeemable noncontrolling interests adjustment	44.24	27.99	5.18
Investment in certain financing funds	2.24	(0.45)	16.49
Stock-based compensation	2.48	0.89	2.35
Prepaid tax expense	(19.00)	(19.38)	(5.45)
Other	(0.67)	0.03	1.24
Tax credits	(2.09)	(1.65)	(1.49)
Change in valuation allowance	6.55	33.70	10.30
Effective tax rate	(0.03)%	0.43%	(6.65)%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following table presents significant components of the Company's deferred tax assets and liabilities for the periods presented (in thousands):

	As of December 31,	
	2016	2015
Deferred tax assets:		
Accruals and reserves	$ 186,875	$ 156,225
Net operating losses	178,995	23,869
Accelerated gain on assets	24,586	26,005
Investment in certain financing funds	383,147	485,159
Tax rebate revenue	39,523	43,037
Stock-based compensation	34,938	47,605
Other deferred tax assets	9,585	9,887
Tax credits	39,944	7,946
Gross deferred tax assets	897,593	799,733
Valuation allowance	(422,889)	(369,157)
Net deferred tax assets	474,704	430,576
Deferred tax liabilities:		
Depreciation and amortization	(269,685)	(279,492)
Initial direct costs related to customer solar energy system lease acquisition costs and Other deferred tax liabilities	(205,500)	(152,457)
Gross deferred tax liabilities	(475,185)	(431,949)
Net deferred taxes	$ (481)	$ (1,373)

An analysis of deferred tax assets and liabilities is as follows (in thousands):

	As of December 31,	
	2016	2015
Noncurrent:		
Deferred tax assets	$ 422,408	$ 367,784
Deferred tax liabilities	—	—
Total noncurrent gross deferred tax assets	422,408	367,784
Less: valuation allowance	(422,889)	(369,157)
Net noncurrent deferred tax liabilities	$ (481)	$ (1,373)

As of December 31, 2016, the Company had federal, California and other state income tax net operating loss, or NOL, carryforwards of $437.3 million, $206.0 million and $212.5 million, respectively. The NOL carryforwards will start to expire in 2026 if not utilized. Included in the other state NOL carryovers above, $63.9 million relates to stock option windfall deductions. The federal ITC, R&D, minimum tax credit and foreign tax credits of $20.1 million, $16.0 million, $10.8 million, and $2.2 million, respectively, will start to expire in 2023 if not utilized. The California R&D and minimum tax credit of $10.9 million and $1.6 million, respectively, can be carried forward indefinitely. The carryforwards have been determined as if the Company was a stand-alone entity. As of December 31, 2015, the Company had federal, California and other state income tax net operating loss, or NOL, carryforwards of $29.5 million, $27.9 million and $235.5 million, respectively.

The Company has applied a valuation allowance against its deferred tax assets net of the expected income from the reversal of its deferred tax liabilities. The Company's valuation allowance increased by $53.7 million during the year ended December 31, 2016 and increased by $257.9 million during the year ended December 31, 2015. The increase in the valuation allowance was primarily related to the Company's investments in financing funds. The valuation allowance was determined in accordance with the provisions of ASC 740, *Income Taxes*, which require an assessment of both negative and positive evidence when measuring the need for a valuation allowance. Based on the available objective evidence and the Company's history of losses, the Company believes it is more likely than not that its net deferred tax assets will not be realized.

The utilization of the remaining NOL carryforwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by the IRC Section 382 and similar state provisions. The annual limitation may result in the expiration of NOL carryforwards and credits before utilization. The Company completed an IRC Section 382 analysis during 2016, which resulted in an ownership change. Based on the analysis, the NOL carryforwards presented have accounted for any limited and potential lost attributes due to any ownership changes and expiration dates.

As part of its asset monetization strategy, the Company has agreements to sell solar energy systems to its financing funds. The gains on the sales are eliminated in the consolidated financial statements because the sales are treated as intra-entity sales. As such, income taxes are not recognized on the sales until the Company no longer benefits from the underlying assets. Specifically, the Company defers the income tax expense and amortizes it over the estimated useful life of the underlying assets, which has been estimated to be 30 to 35 years. The deferral of income tax expense results in the recognition of a prepaid tax expense that is included in the consolidated balance sheets as other assets. In 2015, the Company's tax profitability resulted in the utilization of the available NOL carryforwards, including NOLs related to excess tax benefits from stock options. The utilization of excess tax benefits from stock options was recognized as an increase in additional paid in capital. The Company, pursuant to ASC 810, *Consolidation*, deferred the impact of both the current tax payable as well as the amount recorded in additional paid in capital on the consolidated balance sheet as an increase of prepaid tax expense. As of December 31, 2016 and 2015, the Company has a balance in the prepaid tax expense, net of amortization, of $58.3 million and $105.8 million, respectively. The amortization of prepaid tax expense makes-up the major component of the income tax provision for each period.

The Company had an immaterial amount of undistributed earnings of foreign subsidiaries as of December 31, 2016. Those earnings are considered to be indefinitely reinvested; accordingly, no provisions for federal or state income taxes were provided thereon. Upon repatriation of those earnings, in the form of dividends or otherwise, the Company would be subject to both U.S. income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to the various foreign countries. Determination of the amount of unrecognized deferred U.S. income tax liability is not practicable due to the complexities associated with its hypothetical calculation. An immaterial amount of withholding taxes may be payable upon the remittance of all previously unremitted earnings as of December 31, 2016.

Uncertain Tax Positions

The Company applies a two-step approach with respect to uncertain tax positions. This approach involves recognizing any uncertain tax positions that are more-likely-than-not of being ultimately realized and then measuring those positions to determine the amounts to be recognized. The Company had $13.4 million of unrecognized tax benefits as of December 31, 2016, of which $1.5 million would affect the Company's effective tax rate if recognized. A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in thousands):

Balance, January 1, 2014	$ 120
Acquired from Silevo	434
True-up to prior year ending balance	(23)
Balance, December 31, 2014	531
Additions related to positions from the current year	1,384
Additions related to positions from the prior years	8,181
Balance, December 31, 2015	10,096
Additions related to positions from the current year	2,882
Additions related to positions from the prior years	453
Balance, December 31, 2016	$ 13,431

The interest and penalties for uncertain tax positions is presented in the consolidated statements of operations as income tax expense. Interest and penalties accrued for uncertain tax positions as of December 31, 2016, 2015 and 2014 were $0.4 million, $0.0 million and $0.0 million, respectively.

The Company does not anticipate any significant increases or decreases to the total amount of gross unrecognized tax benefits within the 12 months after December 31, 2016.

The Company is subject to taxation and files income tax returns in the U.S. and various state, local and foreign jurisdictions. The U.S. and state jurisdictions have statutes of limitations that generally range from three to five years. Due to the Company's net operating losses, substantially all of its federal, state, local and foreign income tax returns since inception are still subject to audit. However, the Company utilized a significant amount of its federal and state NOLs in 2015, starting the statute of limitation for the years that NOLs were utilized. In addition, the Company generated a tax loss in 2016 for which the statute of limitation will not begin until they are utilized in a subsequent tax year.

21. Defined Contribution Plan

In January 2007, the Company established a 401(k) plan, or the Retirement Plan, available to employees who meet the Retirement Plan's eligibility requirements. Participants may elect to contribute a percentage of their compensation to the Retirement Plan, up to a statutory limit. Participants are fully vested in their contributions. The Company may make discretionary contributions to the Retirement Plan as a percentage of participant contributions, subject to established limits. The Company did not make any contributions to the Retirement Plan during 2016, 2015 or 2014.

22. Related Party Transactions

The Company's operations included the following related party transactions (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Revenue:			
Solar energy systems sales to related parties	$ 12	$ 79	$ 2,479
Expenditures:			
Purchases of inventories or equipment from related parties	$ 21,126	$ 7,809	$ 3,383
Fees paid or payable to related parties (included in sales and marketing expense)	$ —	$ —	$ 103
Interest paid or payable to related parties (included in interest expense (excluding amortization of debt discounts and fees) - recourse debt)	$ 8,123	$ 2,125	$ 3

Related party balances were comprised of the following (in thousands):

	December 31,	
	2016	2015
Due from related parties (included in accounts receivable)	$ —	$ 30
Due to related parties (included in accounts payable)	$ —	$ 3,961
Payable to parent, net	$ 11,693	$ —
Solar Bonds issued to related parties	$ 265,100	$ 165,220
Convertible senior note principal outstanding to related parties	$ 13,000	$ 12,975
Due to related parties (included in accrued and other current liabilities)	$ 5,019	$ 1,249

The related party transactions were primarily purchases of batteries from Tesla; issuances and maturities of Solar Bonds held by SpaceX, Tesla's Chief Executive Officer, the Company's Chief Executive Officer and the Company's Chief Technology Officer; and issuances of convertible senior notes to an entity affiliated with Tesla's Chief Executive Officer, the Company's Chief Executive Officer and the Company's Chief Technology Officer. SpaceX is considered a related party because Tesla's Chief Executive Officer is the Chief Executive Officer, Chief Designer, Chairman and a significant stockholder of SpaceX.

In March 2015, SpaceX purchased $90.0 million in aggregate principal amount of 2.00% Solar Bonds due in March 2016. In June 2015, SpaceX purchased an additional $75.0 million in aggregate principal amount of 2.00% Solar Bonds due in June 2016. In March 2016, $90.0 million in aggregate principal amount of the Solar Bonds held by SpaceX matured, and the proceeds were reinvested by SpaceX in $90.0 million in aggregate principal amount of 4.40% Solar Bonds due in March 2017. In June 2016, $75.0 million in aggregate principal amount of the Solar Bonds held by SpaceX matured, and the proceeds were reinvested by SpaceX in $75.0 million in aggregate principal amount of 4.40% Solar Bonds due in June 2017.

In August 2016, Tesla's Chief Executive Officer, the Company's Chief Executive Officer and the Company's Chief Technology Officer purchased $100.0 million in aggregate principal amount of 6.50% Solar Bonds due in February 2018.

23. Commitments and Contingencies

Non-cancellable Leases

The Company leases offices, manufacturing and warehouse facilities, equipment, vehicles and solar energy systems under non-cancellable leases. Aggregate rent expense for facilities and equipment for the years ended December 31, 2016, 2015 and 2014 was $49.3 million, $41.1 million and $32.9 million, respectively.

Future minimum lease payments under non-cancellable leases as of December 31, 2016 were as follows (in thousands):

2017	$ 60,306
2018	50,329
2019	38,616
2020	22,217
2021	16,154
Thereafter	65,483
Total minimum lease payments	$ 253,105

Build-to-Suit Lease Arrangement

In September 2014, a subsidiary of the Company entered into a build-to-suit lease arrangement with the Research Foundation for the State University of New York, or the Foundation, for the construction of an approximately 1.0 million square-feet solar panel manufacturing facility with a capacity of 1.0 gigawatt on an approximately 88.2 acre site located in Buffalo, New York. Under the terms of the arrangement, which has been amended, the Foundation will construct the manufacturing facility and install certain utilities and other improvements, with participation by the Company as to the design and construction of the manufacturing facility, and acquire certain manufacturing equipment designated by the Company to be used in the manufacturing facility. The Foundation will cover (i) construction costs related to the manufacturing facility in an amount up to $350.0 million, (ii) the acquisition and commissioning of the manufacturing equipment in an amount up to $348.1 million and (iii) $51.9 million for additional specified scope costs, in cases (i) and (ii) only, subject to the maximum funding allocation from the State of New York, and the Company will be responsible for any construction and equipment costs in excess of such amounts. The Foundation will own the manufacturing facility and the manufacturing equipment purchased by the Foundation. Following completion of the manufacturing facility, the Company will lease the manufacturing facility and the manufacturing equipment owned by the Foundation from the Foundation for an initial period of 10 years, with an option to renew, for $2 per year plus utilities.

Under the terms of the build-to-suit lease arrangement, the Company is required to achieve specific operational milestones during the initial term of the lease, which include employing a certain number of employees at the facility, within western New York and within the State of New York within specified time periods following the completion of the facility. The Company is also required to spend or incur approximately $5.0 billion in combined capital, operational expenses and other costs in the State of New York over the 10 years following the achievement of full production. On an annual basis during the initial lease term, as measured on each anniversary of the commissioning of the facility, if the Company fails to meet the specified investment and job creation obligations, then it would be obligated to pay a $41.2 million “program payment” to the Foundation for each year that it fails to meet these requirements. Furthermore, if the agreement is terminated due to a material breach by the Company, then additional amounts might be payable by the Company.

Due to the Company’s involvement with the construction of the facility, its exposure to any potential cost overruns and its other commitments under the arrangement, the Company is deemed to be the owner of the facility and the manufacturing equipment owned by the Foundation for accounting purposes during the construction phase. Accordingly, the Company recognizes a non-cash investment in build-to-suit lease asset under construction and a corresponding non-cash build-to-suit lease liability on the consolidated balance sheets. The non-cash investing and financing activities related to the arrangement in the years ended December 31, 2016, 2015 and 2014 amounted to $499.4 million, $284.5 million and $ 26.5 million, respectively.

Manufacturing Relationship with Panasonic

In December 2016, Tesla entered into a 10-year arrangement with Panasonic to manufacture custom solar cells and solar panels for the Company, primarily at the Riverbend manufacturing facility. Upon the commencement of production, the Company will purchase up to 1.0 gigawatt of solar panels annually under the arrangement, with adjustable pricing provisions.

Indemnification and Guaranteed Returns

As disclosed in Notes 13, *VIE Arrangements*, the Company is contractually committed to compensate certain fund investors for any losses that they may suffer in certain limited circumstances resulting from reductions in U.S. Treasury grants or ITCs. Generally, such obligations would arise as a result of reductions to the value of the underlying solar energy systems as assessed by the U.S. Treasury Department for purposes of claiming U.S. Treasury grants or as assessed by the IRS for purposes of claiming ITCs or U.S. Treasury grants. For each balance sheet date, the Company assesses and recognizes, when applicable, the potential exposure from this obligation based on all the information available at that time, including any guidelines issued by the U.S. Treasury Department on solar energy system valuations for purposes of claiming U.S. Treasury grants and any audits undertaken by the IRS. The Company believes that any payments to the fund investors in excess of the amount already recognized by the Company for this obligation are not probable based on the facts known at the reporting date.

The maximum potential future payments that the Company could have to make under this obligation would depend on the difference between the fair values of the solar energy systems sold or transferred to the funds as determined by the Company and the values that the U.S. Treasury Department would determine as fair value for the systems for purposes of claiming U.S. Treasury grants or the values the IRS would determine as the fair value for the systems for purposes of claiming ITCs or U.S. Treasury grants. The Company claims U.S. Treasury grants based on guidelines provided by the U.S. Treasury department and the statutory regulations from the IRS. The Company uses fair values determined with the assistance of independent third-party appraisals commissioned by the Company as the basis for determining the ITCs that are passed-through to and claimed by the fund investors. Since the Company cannot determine future revisions to U.S. Treasury Department guidelines governing system values or how the IRS will evaluate system values used in claiming ITCs or U.S. Treasury grants, the Company is unable to reliably estimate the maximum potential future payments that it could have to make under this obligation as of each balance sheet date.

The Company is eligible to receive certain state and local incentives that are associated with renewable energy generation. The amount of incentives that can be claimed is based on the projected or actual solar energy system size and/or the amount of solar energy produced. The Company also currently participates in one state's incentive program that is based on either the fair market value or the tax basis of solar energy systems placed in service. State and local incentives received are allocated between the Company and fund investors in accordance with the contractual provisions of each fund. The Company is not contractually obligated to indemnify any fund investor for any losses they may incur due to a shortfall in the amount of state or local incentives actually received.

As disclosed in Note 13, the Company is contractually required to make payments to one fund investor to ensure that the fund investor achieves a specified minimum internal rate of return. The fund investor has already received a significant portion of the projected economic benefits from U.S. Treasury grant distributions and tax depreciation benefits. The contractual provisions of the fund state that the fund has an indefinite term unless the members agree to dissolve the fund. Based on the Company's current financial projections regarding the amount and timing of future distributions to the fund investor, the Company does not expect to make any payments as a result of this guarantee and has not accrued any liabilities for this guarantee. The amount of potential future payments under this guarantee is dependent on the amount and timing of future distributions to the fund investor and future tax benefits that accrue to the fund investor. Due to the uncertainties surrounding estimating the amounts of these factors, the Company is unable to estimate the maximum potential payments under this guarantee. To date, the fund investor has achieved the specified minimum internal rate of return as determined in accordance with the contractual provisions of the fund.

As disclosed in Note 14, *Lease Pass-Through Financing Obligation*, the lease pass-through financing funds have a one-time lease payment reset mechanism that occurs after the installation of all solar energy systems in a fund. As a result of this mechanism, the Company may be required to refund master lease prepayments previously received from investors. Any refunds of master lease prepayments would reduce the lease pass-through financing obligation.

Letters of Credit

As of December 31, 2016, the Company had $30.2 million of unused letters of credit outstanding, which carry a fee of 3.4% per annum.

Other Contingencies

In July 2012, the Company, along with other companies in the solar energy industry, received a subpoena from the U.S. Treasury Department's Office of the Inspector General to deliver certain documents in the Company's possession that were dated, created, revised or referred to after January 1, 2007 and that relate to the Company's applications for U.S. Treasury grants or

communications with certain other solar energy development companies or with certain firms that appraise solar energy property for U.S Treasury grant application purposes. The Inspector General and the Civil Division of the U.S. Department of Justice are investigating the administration and implementation of the U.S Treasury grant program relating to the fair market value of the solar energy systems that the Company submitted in U.S. Treasury grant applications. The Company has accrued a reserve for its potential liability associated with this ongoing investigation as of December 31, 2016.

In February 2013, two of the Company's financing funds filed a lawsuit in the United States Court of Federal Claims against the United States government, seeking to recover approximately $14.0 million that the United States Treasury was obligated to pay, but failed to pay, under Section 1603 of the American Recovery and Reinvestment Act of 2009. In February 2016, the government filed a motion seeking leave to assert a counterclaim against the two plaintiff funds on the grounds that the government, in fact, paid them more, not less, than they were entitled to as a matter of law. The Company believes that the government's claims are without merit and expects the plaintiff funds to litigate the case vigorously. Trial in the case is set for the latter half of 2017. The Company is unable to estimate the possible loss, if any, associated with this lawsuit.

On March 28, 2014, a purported stockholder class action lawsuit was filed in the United States District Court for the Northern District of California against the Company and two of its officers. The complaint alleges violations of federal securities laws, and seeks unspecified compensatory damages and other relief on behalf of a purported class of purchasers of the Company's securities from March 6, 2013 to March 18, 2014. After a series of amendments to the original complaint, the District Court dismissed the amended complaint and entered a judgment in the Company's favor on August 9, 2016. The plaintiffs have filed a notice of appeal. The Company believes that the claims are without merit and intends to defend against this lawsuit vigorously. The Company is unable to estimate the possible loss, if any, associated with this lawsuit.

On June 5 and 11, 2014, stockholder derivative actions were filed in the Superior Court of California for the County of San Mateo, purportedly on behalf of the Company and against the board of directors, alleging that the board of directors breached its duties to the Company by failing to prevent the conduct alleged in the pending purported stockholder class action lawsuit. The Company and the individual board member defendants filed a motion to dismiss the complaint, which the Superior Court granted on December 17, 2015, while allowing the plaintiffs an opportunity to file an amended complaint to remedy the defects in the original complaint. On or about March 2, 2016, the plaintiffs informed the Company and the Superior Court that they had sold their shares in the Company during the pendency of the suit. Consequently, the plaintiffs no longer had standing to bring their lawsuit, which they voluntarily dismissed.

In June 2014, the Company along with Sunrun, Inc., or Sunrun, filed a lawsuit in the Superior Court of Arizona against the Arizona Department of Revenue, or DOR, challenging DOR's interpretation of Arizona state law to impose property taxes on solar energy systems that are leased by customers. On June 1, 2015, the Superior Court issued an order rejecting the interpretation of the Arizona state law under which the DOR had sought to tax leased solar energy systems. In that same order, the Superior Court held that a separate Arizona statute, which provides that such systems are deemed to have no value for purposes of calculating property tax, violated certain provisions of the Arizona state constitution. Both the DOR and the Company have appealed the Superior Court's ruling, and the Court of Appeals heard argument on November 15, 2016. The Company will continue to vigorously pursue its claims.

On March 2, 2015, the Company filed a lawsuit in the United States District Court for the District of Arizona against the Salt River Project Agricultural Improvement and Power District and the Salt River Valley Water Users' Association, or SRP, alleging that SRP's imposition of distribution charges and demand charges on new solar energy customers in its territory violates state and federal antitrust laws. On June 23, 2015, SRP moved to dismiss the complaint. On October 27, 2015, the District Court denied SRP's motion to dismiss in part and granted it in part. In particular, the District Court held that the Company may proceed on its antitrust claims against SRP to seek an injunction blocking SRP's new charges and may proceed with claims for damages under state laws other than antitrust laws. Furthermore, the District Court held that the Company may not recover monetary damages on its antitrust theories and dismissed two of its antitrust claims while allowing the others to proceed. Discovery has concluded. On September 20, 2016, the District Court entered a stay of the litigation while SRP appeals the District Court's earlier decision, holding that SRP is subject to state and federal antitrust laws. The Court of Appeals heard argument on November 18, 2016. The Company intends to pursue its claims vigorously.

In April 2015, Borrego Solar Systems Inc., or Borrego, commenced an arbitration against the Company alleging that the Company wrongfully terminated a construction services agreement. The Company engaged in discovery and participated in an arbitration hearing in February 2016. After the hearing, on April 12, 2016, the arbitrator entered an interim award in favor of Borrego and ultimately entered a final award in the amount of $2.0 million, which the Company has satisfied in full.

On September 18, 2015, a stockholder derivative action was filed in the Court of Chancery of the State of Delaware, purportedly on behalf of the Company and against the board of directors, alleging that the board of directors breached its duties to the Company by approving stock-based compensation to the non-employee directors that the plaintiff claims is excessive compared to the compensation paid to directors of peer companies. At the Company's 2016 annual meeting of stockholders, the non-employee director compensation plan was approved and ratified, including by a majority of the shares held by the disinterested stockholders of the Company. As a result, the case has been dismissed, and the matter has been resolved.

On September 21, 2015, the Company filed a lawsuit in the United States District Court for the District of Massachusetts against Seaboard Solar Operations LLC, or Seaboard, and its principal, Stuart Longman, alleging breaches of the various written contracts between the Company and Seaboard, fraud, conversion and unfair business practices. The Company sought a declaratory judgment that it owns and has the right to develop the specified projects and of damages of approximately $16.0 million. In December 2015, the Company settled the lawsuit in exchange for $16.1 million to be paid by Seaboard; upon making the payment, Seaboard will have the rights to the projects.

On November 6, 2015, a putative class action lawsuit, *Morris v. SolarCity*, was filed in the United States District Court for the Northern District of California against the Company. The complaint alleges that the Company made unlawful telephone marketing calls to the plaintiff and others, in violation of the federal Telephone Consumer Protection Act. The plaintiff seeks injunctive relief and statutory damages, on behalf of himself and a certified class. The Company filed a motion to dismiss the complaint, which the District Court denied on April 6, 2016. Following discovery, plaintiff filed a motion for class certification on December 15, 2016. Briefing on class certification is expected to be complete in late February 2017, and the certification motion will be heard in March 2017. SolarCity continues to believe that the claims are without merit and intends to defend itself vigorously. The Company has accrued a reserve for its potential liability associated with this matter and the *Gibbs* matter described below, as of December 31, 2016.

On June 1, 2016, a putative class action lawsuit, *Gibbs v. SolarCity*, alleging that the Company made unlawful telephone marketing calls in violation of the federal Telephone Consumer Protection Act, was filed against the Company in the United States District Court for the District of Massachusetts. The two named plaintiffs seek injunctive relief and statutory damages, on behalf of themselves and a certified class. The Company has moved to dismiss the complaint; the hearing on that motion was held on December 8, 2016. The Company believes that the claims are without merit and intends to defend itself vigorously. The Company has accrued a reserve for its potential liability associated with this matter and the *Morris* matter described above, as of December 31, 2016

On August 15, 2016, a purported stockholder class action lawsuit was filed in the United States District Court for the Northern District of California against the Company, two of its officers and a former officer. The complaint alleges that the Company made projections of future sales and installations that the Company failed to achieve and that these projections were fraudulent when made. The plaintiffs claim violations of federal securities laws and seek unspecified compensatory damages and other relief on behalf of a purported class of purchasers of the Company's securities from May 5, 2015 to February 16, 2016. The Company believes that the claims are without merit and intends to defend against them vigorously. The Company is unable to estimate the possible loss, if any, associated with this lawsuit.

On September 26, 2016, Cogenra Solar Inc., or Cogenra, and Khosla Ventures III, L.P. filed a lawsuit in the United States District Court for the Northern District of California alleging that the Company and its subsidiary, Silevo Inc., had misappropriated trade secrets obtained from Cogenra during interactions governed by non-disclosure agreements and during the course of diligence in 2014, when the Company considered acquiring Cogenra. The Company believes that the claims are without merit and intends to defend itself vigorously. The Company is unable to estimate the possible loss, if any, associated with this lawsuit.

From time to time, claims have been asserted, and may in the future be asserted, including claims from regulatory authorities related to labor practices and other matters. Such assertions arise in the normal course of the Company's operations. The resolution of any such assertions or claims cannot be predicted with certainty. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the Company's results of operations, prospects, cash flows, financial and position.

24. Subsequent Events

New Debt Facility

On January 27, 2017, a subsidiary of the Company issued $145.0 million in aggregate principal of solar loan-backed notes with a final maturity date of September 2049. The solar loan-backed notes are secured by certain customer loans under the MyPower program.

Repayment of Debt Facilities

In January 2017, $25.0 million of the secured revolving credit facility matured and was fully repaid.

On January 27 2017, the MyPower revolving credit facility matured, and the aggregate outstanding principal amount of $133.8 million was fully repaid.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining disclosure controls and procedures as defined in 13a-15(e) and 15d-15(e) under the Exchange Act. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2016. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of December 31, 2016, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective to provide reasonable assurance.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2016. In making this assessment, our management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework (2013)*, or 2013 COSO framework. Based on our evaluation under the 2013 COSO framework, our management concluded that our internal control over financial reporting was effective.

Changes in Internal Control Over Financial Reporting

There has been no change to our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Internal Controls

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our organization have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Omitted pursuant to General Instruction I(2)(c) of Form 10-K

ITEM 11. EXECUTIVE COMPENSATION

Omitted pursuant to General Instruction I(2)(c) of Form 10-K

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Omitted pursuant to General Instruction I(2)(c) of Form 10-K

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Omitted pursuant to General Instruction I(2)(c) of Form 10-K

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Ernst & Young LLP ("EY") has served as our independent registered public accounting firm since November 2008.

Fees Paid to the Independent Registered Public Accounting Firm

The table below presents the fees for professional audit services and other services rendered to the Company by EY for the years ended December 31, 2016 and 2015. All fees shown in the table below were related to services that were approved by the Company's audit committee, prior to the Company's merger with Tesla, Inc., or Tesla, on November 21, 2016.

	2015	2016
Audit Fees (1)	$ 4,424,136	$ 3,920,500
Audit-Related Fees (2)	457,608	—
All Other Fees (3)	366,112	12,304
	$ 5,247,856	$ 3,932,804

(1) Audit Fees consist of fees for professional services rendered in connection with the audit of the Company's consolidated financial statements and the reviews of the Company's quarterly condensed consolidated financial statements. Fees for 2015 included fees associated with our convertible senior notes offering completed in December 2015, Solar Bonds offerings, deliveries of comfort letters and consents and reviews of documents filed with the Securities and Exchange Commission, or SEC. Fees for 2016 included fees associated with the Company's acquisition by Tesla, Solar Bonds offerings, deliveries of comfort letters and consents and reviews of documents filed with the SEC.

(2) Audit-Related Fees consist of fees for accounting consultations and professional services rendered in connection with assurance and related services that are not reported under "Audit Fees."

(3) All Other Fees consist of fees for professional services performed in connection with securitization transactions and tax advisory services.

Auditor Independence

In 2015, the Company's audit committee reviewed and pre-approved the provision of certain non-audit services to the Company by EY related to identifying and obtaining incentives in connection with our expansion into Salt Lake City, Utah, in exchange for which EY was paid $276,112 in fees and related expenses and is to receive an annual compliance fee of approximately $40,000. There were no other professional services provided by EY that would have required the audit committee to consider its compatibility with maintaining the independence of EY.

Audit Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Company's audit committee approved the audit and non-audit services rendered by EY to the Company and its subsidiaries in advance as required under the Sarbanes-Oxley and SEC rules, and was responsible for the appointment, compensation and oversight of the work of EY.

- *Audit services*. Audit services include work performed for the audit of the Company's annual consolidated financial statements and the reviews of the Company's quarterly condensed consolidated financial statements, as well as work that is normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings.
- *Audit-related services*. Audit-related services are for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not covered above under "audit services."
- *Tax services*. Tax services include all services performed by the independent registered public accounting firm's tax personnel for tax compliance, tax advice and tax planning.
- *Other services*. Other services are those services not described in the other categories, including services performed in connection with our securitization transactions.

The pre-approval for particular services or categories of services are evaluated on a case-by-case basis. The fees are budgeted, and actual fees are required to be reported versus budgeted fees periodically by category of service. Circumstances may arise where it becomes necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the services must be pre-approved by the audit committee before the independent registered public accounting firm is engaged.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Documents filed as part of this report are as follows:

1. Financial Statements

See "Index to Consolidated Financial Statements" under Part II, Item 8 of this report.

2. Financial Statement Schedules and Report of Independent Registered Public Accounting Firm

SolarCity Corporation
Schedule II: Valuation and Qualifying Accounts
(In Thousands)

Year	Beginning Balance	Additions Charged to Expense	Ending Balance
Allowances for doubtful accounts:			
2016	$ 4,292	$ 10,537	$ 14,829
2015	$ 1,941	$ 2,351	$ 4,292
2014	$ 955	$ 986	$ 1,941

All other schedules have been omitted because the required information is included elsewhere in this report, not applicable or not material.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder of
SolarCity Corporation

We have audited the consolidated financial statements of SolarCity Corporation (the Company) as of December 31, 2016 and 2015, and for each of the three years in the period ended December 31, 2016, and have issued our report thereon dated March 1, 2017 (included elsewhere in this Form 10-K). Our audits also included the financial statement schedule listed in Item 15(a) of this Form 10-K. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this schedule based on our audits.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Ernst & Young LLP
Los Angeles, California
March 1, 2017

3. Exhibits

The exhibits listed in the accompanying "Index to Exhibits" are filed or incorporated by reference as part of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 1, 2017.

SOLARCITY CORPORATION

By: /s/ Lyndon R. Rive
Lyndon R. Rive
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lyndon R. Rive and Radford Small, and each of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Lyndon R. Rive Lyndon R. Rive	Director and Chief Executive Officer (Principal Executive Officer)	March 1, 2017
/s/ Radford Small Radford Small	Chief Financial Officer (Principal Accounting and Financial Officer)	March 1, 2017
/s/ Todd Maron Todd Maron	Director	March 1, 2017
/s/ Susan Repo Susan Repo	Director	March 1, 2017
/s/ Jason Wheeler Jason Wheeler	Director	March 1, 2017

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
2.1	Agreement and Plan of Merger, dated as of June 16, 2014, by and among SolarCity Corporation, Sunflower Acquisition Corporation, Sunflower Acquisition LLC, Silevo, Inc., Richard Lim, as Securityholder Representative, and U.S. Bank National Association, as Escrow Agent	8-K	001-35758	2.1	June 17, 2014	
2.1a	Amendment No. 1 to Agreement and Plan of Merger, dated as of September 5, 2014, by and among SolarCity Corporation, Sunflower Acquisition Corporation, Sunflower Acquisition LLC, Silevo, Inc., Richard Lim, as Securityholder Representative, and U.S. Bank National Association, as Escrow Agent	10-Q	001-35758	2.1a	November 6, 2014	
2.1b	Amendment No. 2 to Agreement and Plan of Merger, effective as of December 31, 2015, by and among SolarCity Corporation, Silevo, LLC, and Richard Lim, as Securityholder Representative	10-K	001-35758	2.1b	February 10, 2016	
2.2	Stock Purchase Agreement, dated August 3, 2015, by and among SolarCity Corporation, Solar Explorer, LLC, Solar Voyager, LLC, Tatiana Alejandra Arelle Caraveo, Manuel Vegara Llanes and ILIOSSON, S.A. de C.V.	8-K	001-35758	2.1	August 5, 2015	
2.2a	Amendment No. 1 to Stock Purchase Agreement, dated as of June 30, 2016, by and among SolarCity Corporation, Solar Explorer, LLC, Solar Voyager, LLC, Tatiana Alejandra Arelle Caraveo, Manuel Vegara Llanes and ILIOSSON, S.A. de C.V.	10-Q	001-35758	2.2a	August 9, 2016	
3.1	Restated Certificate of Incorporation of SolarCity Corporation	8-K	001-35758	3.1	November 21, 2016	
3.2	Amended and Restated Bylaws of SolarCity Corporation					X
4.1	Form of Common Stock Certificate of the Registrant	S-1/A	333-184317	4.1	November 27, 2012	
4.2	Seventh Amended and Restated Investor's Rights Agreement by and among the Registrant and certain stockholders of the Registrant, dated February 24, 2012	S-1	333-184317	4.4	October 5, 2012	
4.3	Indenture, dated as of October 21, 2013, by and between the Registrant and Wells Fargo Bank National Association, including the form of convertible senior notes contained therein	8-K	001-35758	4.1	October 21, 2013	
4.4	Indenture, dated as of September 30, 2014, between the Registrant and Wells Fargo Bank, National Association	8-K	001-35758	4.1	October 6, 2014	
4.5	Indenture, dated as of December 7, 2015, between the Registrant and Wells Fargo Bank, National Association	8-K	001-35758	4.1	December 7, 2015	
4.6**	Indenture, dated as of January 9, 2015, by and between FTE Solar I, LLC and U.S. Bank National Association.	10-Q	001-35758	4.11	May 6, 2015	
4.7	Indenture, dated as of October 15, 2014, between the Registrant and U.S. Bank National Association, as trustee.	S-3ASR	333-199321	4.1	October 15, 2014	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
4.10	Third Supplemental Indenture, dated as of October 15, 2014, by and between the Company and the Trustee, related to the Company's 3.00% Solar Bonds, Series 2014/3-3.	8-K	001-35758	4.4	October 15, 2014	
4.11	Fourth Supplemental Indenture, dated as of October 15, 2014, by and between the Company and the Trustee, related to the Company's 4.00% Solar Bonds, Series 2014/4-7	8-K	001-35758	4.5	October 15, 2014	
4.14	Seventh Supplemental Indenture, dated as of January 29, 2015, by and between the Company and the Trustee, related to the Company's 3.00% Solar Bonds, Series 2015/3-3.	8-K	001-35758	4.4	January 29, 2015	
4.15	Eighth Supplemental Indenture, dated as of January 29, 2015, by and between the Company and the Trustee, related to the Company's 4.00% Solar Bonds, Series 2015/4-7.	8-K	001-35758	4.5	January 29, 2015	
4.16	Ninth Supplemental Indenture, dated as of March 9, 2015, by and between the Company and the Trustee, related to the Company's 4.00% Solar Bonds, Series 2015/5-5.	8-K	001-35758	4.2	March 9, 2015	
4.17	Tenth Supplemental Indenture, dated as of March 9, 2015, by and between the Company and the Trustee, related to the Company's 5.00% Solar Bonds, Series 2015/6-10.	8-K	001-35758	4.3	March 9, 2015	
4.18	Eleventh Supplemental Indenture, dated as of March 9, 2015, by and between the Company and the Trustee, related to the Company's 5.75% Solar Bonds, Series 2015/7-15.	8-K	001-35758	4.4	March 9, 2015	
4.20	Thirteenth Supplemental Indenture, dated as of March 19, 2015, by and between the Company and the Trustee, related to the Company's 2.60% Solar Bonds, Series 2015/C2-3.	8-K	001-35758	4.3	March 19, 2015	
4.21	Fourteenth Supplemental Indenture, dated as of March 19, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C3-5.	8-K	001-35758	4.4	March 19, 2015	
4.22	Fifteenth Supplemental Indenture, dated as of March 19, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C4-10.	8-K	001-35758	4.5	March 19, 2015	
4.23	Sixteenth Supplemental Indenture, dated as of March 19, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C5-15.	8-K	001-35758	4.6	March 19, 2015	
4.25	Eighteenth Supplemental Indenture, dated as of March 26, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C7-3.	8-K	001-35758	4.3	March 26, 2015	
4.26	Nineteenth Supplemental Indenture, dated as of March 26, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C8-5.	8-K	001-35758	4.4	March 26, 2015	
4.27	Twentieth Supplemental Indenture, dated as of March 26, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C9-10.	8-K	001-35758	4.5	March 26, 2015	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
4.28	Twenty-First Supplemental Indenture, dated as of March 26, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C10-15.	8-K	001-35758	4.6	March 26, 2015	
4.31	Twenty-Fourth Supplemental Indenture, dated as of April 2, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C12-3.	8-K	001-35758	4.3	April 2, 2015	
4.32	Twenty-Fifth Supplemental Indenture, dated as of April 2, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C13-5.	8-K	001-35758	4.4	April 2, 2015	
4.33	Twenty-Sixth Supplemental Indenture, dated as of April 2, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C14-10.	8-K	001-35758	4.5	April 2, 2015	
4.35	Twenty-Eighth Supplemental Indenture, dated as of April 9, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C17-3.	8-K	001-35758	4.3	April 9, 2015	
4.36	Twenty-Ninth Supplemental Indenture, dated as of April 9, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C18-5.	8-K	001-35758	4.4	April 9, 2015	
4.37	Thirtieth Supplemental Indenture, dated as of April 9, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C19-10.	8-K	001-35758	4.5	April 9, 2015	
4.38	Thirty-First Supplemental Indenture, dated as of April 9, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C20-15.	8-K	001-35758	4.6	April 9, 2015	
4.40	Thirty-Third Supplemental Indenture, dated as of April 14, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C22-3.	8-K	001-35758	4.3	April 14, 2015	
4.41	Thirty-Fourth Supplemental Indenture, dated as of April 14, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C23-5.	8-K	001-35758	4.4	April 14, 2015	
4.42	Thirty-Fifth Supplemental Indenture, dated as of April 14, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C24-10.	8-K	001-35758	4.5	April 14, 2015	
4.43	Thirty-Sixth Supplemental Indenture, dated as of April 14, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C25-15.	8-K	001-35758	4.6	April 14, 2015	
4.45	Thirty-Eighth Supplemental Indenture, dated as of April 21, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C27-10.	8-K	001-35758	4.3	April 21, 2015	
4.46	Thirty-Ninth Supplemental Indenture, dated as of April 21, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C28-15.	8-K	001-35758	4.4	April 21, 2015	

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4.48	Forty-First Supplemental Indenture, dated as of April 27, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C30-3.	8-K	001-35758	4.3	April 27, 2015	
4.49	Forty-Second Supplemental Indenture, dated as of April 27, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C31-5.	8-K	001-35758	4.4	April 27, 2015	
4.50	Forty-Third Supplemental Indenture, dated as of April 27, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C32-10.	8-K	001-35758	4.5	April 27, 2015	
4.51	Forty-Fourth Supplemental Indenture, dated as of April 27, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C33-15.	8-K	001-35758	4.6	April 27, 2015	
4.53	Forty-Sixth Supplemental Indenture, dated as of May 1, 2015, by and between the Company and the Trustee, related to the Company's 3.00% Solar Bonds, Series 2015/10-3.	8-K	001-35758	4.3	May 1, 2015	
4.54	Forty-Seventh Supplemental Indenture, dated as of May 1, 2015, by and between the Company and the Trustee, related to the Company's 4.00% Solar Bonds, Series 2015/11-5.	8-K	001-35758	4.4	May 1, 2015	
4.55	Forty-Eighth Supplemental Indenture, dated as of May 1, 2015, by and between the Company and the Trustee, related to the Company's 5.00% Solar Bonds, Series 2015/12-10.	8-K	001-35758	4.5	May 1, 2015	
4.56	Forty-Ninth Supplemental Indenture, dated as of May 1, 2015, by and between the Company and the Trustee, related to the Company's 5.75% Solar Bonds, Series 2015/13-15.	8-K	001-35758	4.6	May 1, 2015	
4.57	Fiftieth Supplemental Indenture, dated as of May 11, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C34-3.	8-K	001-35758	4.2	May 11, 2015	
4.58	Fifty-First Supplemental Indenture, dated as of May 11, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C35-5.	8-K	001-35758	4.3	May 11, 2015	
4.59	Fifty-Second Supplemental Indenture, dated as of May 11, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C36-10.	8-K	001-35758	4.4	May 11, 2015	
4.60	Fifty-Third Supplemental Indenture, dated as of May 11, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C37-15.	8-K	001-35758	4.5	May 11, 2015	
4.61	Fifty-Fourth Supplemental Indenture, dated as of May 14, 2015, by and between the Company and the Trustee, related to the Company's 2.50% Solar Bonds, Series 2015/14-2.	8-K	001-35758	4.2	May 14, 2015	
4.62	Fifty-Fifth Supplemental Indenture, dated as of May 18, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C38-3.	8-K	001-35758	4.2	May 18, 2015	

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4.63	Fifty-Sixth Supplemental Indenture, dated as of May 18, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C39-5.	8-K	001-35758	4.3	May 18, 2015	
4.64	Fifty-Seventh Supplemental Indenture, dated as of May 18, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C40-10.	8-K	001-35758	4.4	May 18, 2015	
4.65	Fifty-Eighth Supplemental Indenture, dated as of May 18, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C41-15.	8-K	001-35758	4.5	May 18, 2015	
4.66	Fifty-Ninth Supplemental Indenture, dated as of May 26, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C42-3.	8-K	001-35758	4.2	May 26, 2015	
4.67	Sixtieth Supplemental Indenture, dated as of May 26, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C43-5.	8-K	001-35758	4.3	May 26, 2015	
4.68	Sixty-First Supplemental Indenture, dated as of May 26, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C44-10.	8-K	001-35758	4.4	May 26, 2015	
4.69	Sixty-Second Supplemental Indenture, dated as of May 26, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C45-15.	8-K	001-35758	4.5	May 26, 2015	
4.71	Sixty-Fourth Supplemental Indenture, dated as of June 8, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C46-3.	8-K	001-35758	4.2	June 10, 2015	
4.72	Sixty-Fifth Supplemental Indenture, dated as of June 8, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C47-5.	8-K	001-35758	4.3	June 10, 2015	
4.73	Sixty-Sixth Supplemental Indenture, dated as of June 8, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C48-10.	8-K	001-35758	4.4	June 10, 2015	
4.74	Sixty-Seventh Supplemental Indenture, dated as of June 8, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C49-15.	8-K	001-35758	4.5	June 10, 2015	
4.75	Sixty-Eighth Supplemental Indenture, dated as of June 16, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C50-3.	8-K	001-35758	4.2	June 16, 2015	
4.76	Sixty-Ninth Supplemental Indenture, dated as of June 16, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C51-5.	8-K	001-35758	4.3	June 16, 2015	
4.77	Seventieth Supplemental Indenture, dated as of June 16, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C52-10.	8-K	001-35758	4.4	June 16, 2015	

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4.78	Seventy-First Supplemental Indenture, dated as of June 16, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C53-15.	8-K	001-35758	4.5	June 16, 2015	
4.79	Seventy-Second Supplemental Indenture, dated as of June 22, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C54-3.	8-K	001-35758	4.2	June 23, 2015	
4.80	Seventy-Third Supplemental Indenture, dated as of June 22, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C55-5.	8-K	001-35758	4.3	June 23, 2015	
4.81	Seventy-Fourth Supplemental Indenture, dated as of June 22, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C56-10.	8-K	001-35758	4.4	June 23, 2015	
4.82	Seventy-Fifth Supplemental Indenture, dated as of June 22, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C57-15.	8-K	001-35758	4.5	June 23, 2015	
4.85	Seventy-Eighth Supplemental Indenture, dated as of June 29, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C59-3.	8-K	001-35758	4.3	June 29, 2015	
4.86	Seventy-Ninth Supplemental Indenture, dated as of June 29, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C60-5.	8-K	001-35758	4.4	June 29, 2015	
4.87	Eightieth Supplemental Indenture, dated as of June 29, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C61-10.	8-K	001-35758	4.5	June 29, 2015	
4.88	Eighty-First Supplemental Indenture, dated as of June 29, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C62-15.	8-K	001-35758	4.6	June 29, 2015	
4.90	Eighty-Third Supplemental Indenture, dated as of July 14, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C64-3.	8-K	001-35758	4.3	July 14, 2015	
4.91	Eighty-Fourth Supplemental Indenture, dated as of July 14, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C65-5.	8-K	001-35758	4.4	July 14, 2015	
4.92	Eighty-Fifth Supplemental Indenture, dated as of July 14, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C66-10.	8-K	001-35758	4.5	July 14, 2015	
4.93	Eighty-Sixth Supplemental Indenture, dated as of July 14, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C67-15.	8-K	001-35758	4.6	July 14, 2015	
4.95	Eighty-Eighth Supplemental Indenture, dated as of July 20, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C69-3.	8-K	001-35758	4.3	July 21, 2015	

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4.96	Eighty-Ninth Supplemental Indenture, dated as of July 20, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C70-5.	8-K	001-35758	4.4	July 21, 2015	
4.97	Ninetieth Supplemental Indenture, dated as of July 20, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C71-10.	8-K	001-35758	4.5	July 21, 2015	
4.98	Ninety-First Supplemental Indenture, dated as of July 20, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C72-15.	8-K	001-35758	4.6	July 21, 2015	
4.100	Ninety-Third Supplemental Indenture, dated as of July 31, 2015, by and between the Company and the Trustee, related to the Company's 3.00% Solar Bonds, Series 2015/18-3.	8-K	001-35758	4.3	July 31, 2015	
4.101	Ninety-Fourth Supplemental Indenture, dated as of July 31, 2015, by and between the Company and the Trustee, related to the Company's 4.00% Solar Bonds, Series 2015/19-5.	8-K	001-35758	4.4	July 31, 2015	
4.102	Ninety-Fifth Supplemental Indenture, dated as of July 31, 2015, by and between the Company and the Trustee, related to the Company's 5.00% Solar Bonds, Series 2015/20-10.	8-K	001-35758	4.5	July 31, 2015	
4.103	Ninety-Sixth Supplemental Indenture, dated as of July 31, 2015, by and between the Company and the Trustee, related to the Company's 5.75% Solar Bonds, Series 2015/21-15.	8-K	001-35758	4.6	July 31, 2015	
4.105	Ninety-Eighth Supplemental Indenture, dated as of August 3, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C74-3.	8-K	001-35758	4.3	August 3, 2015	
4.106	Ninety-Ninth Supplemental Indenture, dated as of August 3, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C75-5.	8-K	001-35758	4.4	August 3, 2015	
4.107	One Hundredth Supplemental Indenture, dated as of August 3, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C76-10.	8-K	001-35758	4.5	August 3, 2015	
4.108	One Hundred-and-First Supplemental Indenture, dated as of August 3, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C77-15.	8-K	001-35758	4.6	August 3, 2015	
4.100	One Hundred-and-Third Supplemental Indenture, dated as of August 10, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C79-3.	8-K	001-35758	4.3	August 10, 2015	
4.111	One Hundred-and-Fourth Supplemental Indenture, dated as of August 10, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C80-5.	8-K	001-35758	4.4	August 10, 2015	
4.112	One Hundred-and-Fifth Supplemental Indenture, dated as of August 10, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C81-10.	8-K	001-35758	4.5	August 10, 2015	

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4.113	One Hundred-and-Sixth Supplemental Indenture, dated as of August 10, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C82-15.	8-K	001-35758	4.6	August 10, 2015	
4.115	One Hundred-and-Eighth Supplemental Indenture, dated as of August 17, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C84-3.	8-K	001-35758	4.3	August 17, 2015	
4.116	One Hundred-and-Ninth Supplemental Indenture, dated as of August 17, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C85-5.	8-K	001-35758	4.4	August 17, 2015	
4.117	One Hundred-and-Tenth Supplemental Indenture, dated as of August 17, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C86-10.	8-K	001-35758	4.5	August 17, 2015	
4.118	One Hundred-and-Eleventh Supplemental Indenture, dated as of August 17, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C87-15.	8-K	001-35758	4.6	August 17, 2015	
4.120	One Hundred-and-Thirteenth Supplemental Indenture, dated as of August 24, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C89-3.	8-K	001-35758	4.3	August 24, 2015	
4.121	One Hundred-and-Fourteenth Supplemental Indenture, dated as of August 24, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C90-5.	8-K	001-35758	4.4	August 24, 2015	
4.122	One Hundred-and-Fifteenth Supplemental Indenture, dated as of August 24, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C91-10.	8-K	001-35758	4.5	August 24, 2015	
4.123	One Hundred-and-Sixteenth Supplemental Indenture, dated as of August 24, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C92-15.	8-K	001-35758	4.6	August 24, 2015	
4.125	One Hundred-and-Eighteenth Supplemental Indenture, dated as of August 31, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C94-3.	8-K	001-35758	4.3	August 31, 2015	
4.126	One Hundred-and-Nineteenth Supplemental Indenture, dated as of August 31, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C95-5.	8-K	001-35758	4.4	August 31, 2015	
4.127	One Hundred-and-Twentieth Supplemental Indenture, dated as of August 31, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C96-10.	8-K	001-35758	4.5	August 31, 2015	
4.128	One Hundred-and-Twenty-First Supplemental Indenture, dated as of August 31, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C97-15.	8-K	001-35758	4.6	August 31, 2015	
4.129	One Hundred-and-Twenty-Second Supplemental Indenture, dated as of September 11, 2015, by and between the Company and the Trustee, related to the Company's Solar Bonds, Series 2015/R1.	8-K	001-35758	4.2	September 11, 2015	

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4.130	One Hundred-and-Twenty-Third Supplemental Indenture, dated as of September 11, 2015, by and between the Company and the Trustee, related to the Company's Solar Bonds, Series 2015/R2.	8-K	001-35758	4.3	September 11, 2015	
4.131	One Hundred-and-Twenty-Fourth Supplemental Indenture, dated as of September 11, 2015, by and between the Company and the Trustee, related to the Company's Solar Bonds, Series 2015/R3.	8-K	001-35758	4.4	September 11, 2015	
4.133	One Hundred-and-Twenty-Sixth Supplemental Indenture, dated as of September 14, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C99-3.	8-K	001-35758	4.3	September 15, 2015	
4.134	One Hundred-and-Twenty-Seventh Supplemental Indenture, dated as of September 14, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C100-5.	8-K	001-35758	4.4	September 15, 2015	
4.135	One Hundred-and-Twenty-Eighth Supplemental Indenture, dated as of September 14, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C101-10.	8-K	001-35758	4.5	September 15, 2015	
4.136	One Hundred-and-Twenty-Ninth Supplemental Indenture, dated as of September 14, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C102-15.	8-K	001-35758	4.6	September 15, 2015	
4.138	One Hundred-and-Thirty-First Supplemental Indenture, dated as of September 28, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C104-3.	8-K	001-35758	4.3	September 29, 2015	
4.139	One Hundred-and-Thirty-Second Supplemental Indenture, dated as of September 28, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C105-5.	8-K	001-35758	4.4	September 29, 2015	
4.140	One Hundred-and-Thirty-Third Supplemental Indenture, dated as of September 28, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C106-10.	8-K	001-35758	4.5	September 29, 2015	
4.141	One Hundred-and-Thirty-Fourth Supplemental Indenture, dated as of September 28, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C107-15.	8-K	001-35758	4.6	September 29, 2015	
4.143	One Hundred-and-Thirty-Sixth Supplemental Indenture, dated as of October 13, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C109-3.	8-K	001-35758	4.3	October 13, 2015	
4.144	One Hundred-and-Thirty-Seventh Supplemental Indenture, dated as of October 13, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C110-5.	8-K	001-35758	4.4	October 13, 2015	
4.145	One Hundred-and-Thirty-Eighth Supplemental Indenture, dated as of October 13, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C111-10.	8-K	001-35758	4.5	October 13, 2015	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
4.146	One Hundred-and-Thirty-Ninth Supplemental Indenture, dated as of October 13, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C112-15.	8-K	001-35758	4.6	October 13, 2015	
4.148	One Hundred-and-Forty-First Supplemental Indenture, dated as of October 30, 2015, by and between the Company and the Trustee, related to the Company's 3.00% Solar Bonds, Series 2015/23-3.	8-K	001-35758	4.3	October 30, 2015	
4.149	One Hundred-and-Forty-Second Supplemental Indenture, dated as of October 30, 2015, by and between the Company and the Trustee, related to the Company's 4.00% Solar Bonds, Series 2015/24-5.	8-K	001-35758	4.4	October 30, 2015	
4.150	One Hundred-and-Forty-Third Supplemental Indenture, dated as of October 30, 2015, by and between the Company and the Trustee, related to the Company's 5.00% Solar Bonds, Series 2015/25-10.	8-K	001-35758	4.5	October 30, 2015	
4.151	One Hundred-and-Forty-Fourth Supplemental Indenture, dated as of October 30, 2015, by and between the Company and the Trustee, related to the Company's 5.75% Solar Bonds, Series 2015/26-15.	8-K	001-35758	4.6	October 30, 2015	
4.153	One Hundred-and-Forty-Sixth Supplemental Indenture, dated as of November 4, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C114-3.	8-K	001-35758	4.3	November 4, 2015	
4.154	One Hundred-and-Forty-Seventh Supplemental Indenture, dated as of November 4, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C115-5.	8-K	001-35758	4.4	November 4, 2015	
4.155	One Hundred-and-Forty-Eighth Supplemental Indenture, dated as of November 4, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C116-10.	8-K	001-35758	4.5	November 4, 2015	
4.156	One Hundred-and-Forty-Ninth Supplemental Indenture, dated as of November 4, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C117-15.	8-K	001-35758	4.6	November 4, 2015	
4.158	One Hundred-and-Fifty-First Supplemental Indenture, dated as of November 16, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C119-3.	8-K	001-35758	4.3	November 17, 2015	
4.159	One Hundred-and-Fifty-Second Supplemental Indenture, dated as of November 16, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C120-5.	8-K	001-35758	4.4	November 17, 2015	
4.160	One Hundred-and-Fifty-Third Supplemental Indenture, dated as of November 16, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C121-10.	8-K	001-35758	4.5	November 17, 2015	
4.161	One Hundred-and-Fifty-Fourth Supplemental Indenture, dated as of November 16, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C122-15.	8-K	001-35758	4.6	November 17, 2015	

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4.163	One Hundred-and-Fifty-Sixth Supplemental Indenture, dated as of November 30, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C124-3.	8-K	001-35758	4.3	November 30, 2015	
4.164	One Hundred-and-Fifty-Seventh Supplemental Indenture, dated as of November 30, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C125-5.	8-K	001-35758	4.4	November 30, 2015	
4.165	One Hundred-and-Fifty-Eighth Supplemental Indenture, dated as of November 30, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C126-10.	8-K	001-35758	4.5	November 30, 2015	
4.166	One Hundred-and-Fifty-Ninth Supplemental Indenture, dated as of November 30, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C127-15.	8-K	001-35758	4.6	November 30, 2015	
4.168	One Hundred-and-Sixty-First Supplemental Indenture, dated as of December 14, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C129-3.	8-K	001-35758	4.3	December 14, 2015	
4.169	One Hundred-and-Sixty-Second Supplemental Indenture, dated as of December 14, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C130-5.	8-K	001-35758	4.4	December 14, 2015	
4.160	One Hundred-and-Sixty-Third Supplemental Indenture, dated as of December 14, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C131-10.	8-K	001-35758	4.5	December 14, 2015	
4.171	One Hundred-and-Sixty-Fourth Supplemental Indenture, dated as of December 14, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C132-15.	8-K	001-35758	4.6	December 14, 2015	
4.173	One Hundred-and-Sixty-Sixth Supplemental Indenture, dated as of December 28, 2015, by and between the Company and the Trustee, related to the Company's 2.65% Solar Bonds, Series 2015/C134-3.	8-K	001-35758	4.3	December 28, 2015	
4.174	One Hundred-and-Sixty-Seventh Supplemental Indenture, dated as of December 28, 2015, by and between the Company and the Trustee, related to the Company's 3.60% Solar Bonds, Series 2015/C135-5.	8-K	001-35758	4.4	December 28, 2015	
4.175	One Hundred-and-Sixty-Eighth Supplemental Indenture, dated as of December 28, 2015, by and between the Company and the Trustee, related to the Company's 4.70% Solar Bonds, Series 2015/C136-10.	8-K	001-35758	4.5	December 28, 2015	
4.176	One Hundred-and-Sixty-Ninth Supplemental Indenture, dated as of December 28, 2015, by and between the Company and the Trustee, related to the Company's 5.45% Solar Bonds, Series 2015/C137-15.	8-K	001-35758	4.6	December 28, 2015	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
4.178	One Hundred-and-Seventy-First Supplemental Indenture, dated as of January 29, 2016, by and between the Company and the Trustee, related to the Company's 3.00% Solar Bonds, Series 2016/2-3.	8-K	001-35758	4.3	January 29, 2016	
4.179	One Hundred-and-Seventy-Second Supplemental Indenture, dated as of January 29, 2016, by and between the Company and the Trustee, related to the Company's 4.00% Solar Bonds, Series 2016/3-5.	8-K	001-35758	4.4	January 29, 2016	
4.180	One Hundred-and-Seventy-Third Supplemental Indenture, dated as of January 29, 2016, by and between the Company and the Trustee, related to the Company's 5.00% Solar Bonds, Series 2016/4-10.	8-K	001-35758	4.5	January 29, 2016	
4.181	One Hundred-and-Seventy-Fourth Supplemental Indenture, dated as of January 29, 2016, by and between the Company and the Trustee, related to the Company's 5.75% Solar Bonds, Series 2016/5-15.	8-K	001-35758	4.6	January 29, 2016	
4.183	One Hundred-and-Seventy-Sixth Supplemental Indenture, dated as of February 26, 2016, by and between the Company and the Trustee, related to the Company's 4.50% Solar Bonds, Series 2016/7-3.	8-K	001-35758	4.3	February 26, 2016	
4.184	One Hundred-and-Seventy-Seventh Supplemental Indenture, dated as of February 26, 2016, by and between the Company and the Trustee, related to the Company's 5.25% Solar Bonds, Series 2016/8-5.	8-K	001-35758	4.4	February 26, 2016	
4.185	One Hundred-and-Seventy-Eighth Supplemental Indenture, dated as of March 21, 2016, by and between the Company and the Trustee, related to the Company's 4.40% Solar Bonds, Series 2016/9-1.	8-K	001-35758	4.2	March 21, 2016	
4.186	One Hundred-and-Seventy-Ninth Supplemental Indenture, dated as of March 21, 2016, by and between the Company and the Trustee, related to the Company's 5.25% Solar Bonds, Series 2016/10-5.	8-K	001-35758	4.3	March 21, 2016	
4.187	One Hundred-and-Eightieth Supplemental Indenture, dated as of June 10, 2016, by and between the Company and the Trustee, related to the Company's 4.40% Solar Bonds, Series 2016/11-1.	8-K	001-35758	4.2	June 10, 2016	
4.188	One Hundred-and-Eighty-First Supplemental Indenture, dated as of June 10, 2016, by and between the Company and the Trustee, related to the Company's 5.25% Solar Bonds, Series 2016/12-5.	8-K	001-35758	4.3	June 10, 2016	
4.189	One Hundred-and-Eighty-Second Supplemental Indenture, dated as of August 17, 2016, by and between the Company and the Trustee, related to the Company's 6.50% Solar Bonds, Series 2016/13-18M	8-K	001-35758	4.2	August 17, 2016	
10.1*	Form of Indemnification Agreement for directors and executive officers	S-1	333-184317	10.1	October 5, 2012	
10.5	Office Lease Agreement, between Locon San Mateo, LLC and the Registrant, dated as of July 30, 2010	S-1	333-184317	10.5	October 5, 2012	
10.5a	First Amendment to Lease, between Locon San Mateo, LLC and the Registrant, dated as of November 15, 2010	S-1	333-184317	10.5a	October 5, 2012	
10.5b	Second Amendment to Lease, between Locon San Mateo, LLC and the Registrant, dated as of March 31, 2011	S-1	333-184317	10.5b	October 5, 2012	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
10.5c	Renewal Notice , between RAR2-Clearview Business Park Owner, LLC, as successor-in-interest to Locon San Mateo, LLC, and the Registrant, dated as of July 13, 2016.	10-Q	001-35758	10.5c	November 9, 2016	
10.10e**	Amended and Restated Credit Agreement among the Registrant, Bank of America, N.A. and other banks and financial institutions party thereto, dated as of November 1, 2013	10-K/A	001-35758	10.10e	September 4, 2014	
10.10f	First Amendment to the Amended and Restated Credit Agreement, dated as of June 27, 2014, by and among the Registrant, Bank of America, N.A. and other banks and financial institutions party thereto	10-Q	001-35758	10.10f	August 7, 2014	
10.10g**	Second Amendment to the Amended and Restated Credit Agreement, dated as of July 11, 2014, by and among the Registrant, Bank of America, N.A. and other banks and financial institutions party thereto	10-Q	001-35758	10.10g	August 7, 2014	
10.10h	Third Amendment to the Amended and Restated Credit Agreement, dated as of September 23, 2014, by and among SolarCity Corporation, a Delaware corporation, the Lenders party hereto and Bank of America, N.A., as administrative agent	10-Q	001-35758	10.10h	November 6, 2014	
10.10i**	Fourth Amendment to the Amended and Restated Credit Agreement, dated as of October 10, 2014, by and among SolarCity Corporation, a Delaware corporation, the Lenders party hereto and Bank of America, N.A., as administrative agent	10-Q	001-35758	10.10i	November 6, 2014	
10.10j**	Fifth Amendment to the Amended and Restated Credit Agreement, dated as of December 19, 2014, by and among SolarCity Corporation, a Delaware corporation, the Lenders party hereto and Bank of America, N.A., as administrative agent	10-K	001-35758	10.10j	February 24, 2015	
10.10k**	Sixth Amendment to the Amended and Restated Credit Agreement, dated as of June 24, 2015, by and among SolarCity Corporation, a Delaware corporation, the Lenders party hereto and Bank of America, N.A., as administrative agent	10-Q	001-35758	10.10k	July 30, 2015	
10.10l	Seventh Amendment to the Amended and Restated Credit Agreement, dated as of July 24, 2015, by and among SolarCity Corporation, a Delaware corporation, the Lenders party thereto and Bank of America, N.A., as administrative agent.	10-Q	001-35758	10.10l	October 30, 2015	
10.10m	Eighth Amendment to the Amended and Restated Credit Agreement, dated as of November 17, 2015, by and among SolarCity Corporation, a Delaware corporation, the Lenders party thereto and Bank of America, N.A., as administrative agent.	10-K	001-35758	10.10m	February 10, 2016	
10.10n	Ninth Amendment to the Amended and Restated Credit Agreement, dated as of December 14, 2015, by and among SolarCity Corporation, a Delaware corporation, the Lenders party thereto and Bank of America, N.A., as administrative agent.	10-K	001-35758	10.10n	February 10, 2016	
10.10o	Tenth Amendment to the Amended and Restated Credit Agreement, dated as of March 29, 2016, by and among the Registrant the Lenders party thereto and Bank of America, N.A., as administrative agent.	10-Q	001-35758	10.10o	May 9, 2016	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
10.10p	Eleventh Amendment to the Amended and Restated Credit Agreement, dated as of April 19, 2016, by and among the Registrant, the Lenders party thereto and Bank of America, N.A., as administrative agent	10-Q	001-35758	10.10p	May 9, 2016	
10.10q	Twelfth Amendment to the Amended and Restated Credit Agreement, dated as of July 24, 2016, by and among the Registrant, the Lenders party thereto and Bank of America, N.A., as administrative agent	10-Q	001-35758	10.10q	August 9, 2016	
10.10r	Thirteenth Amendment to the Amended and Restated Credit Agreement, dated as of July 25, 2016, by and among the Registrant, the Lenders party thereto and Bank of America, N.A., as administrative agent	10-Q	001-35758	10.10r	August 9, 2016	
10.10s	Fourteenth Amendment to the Amended and Restated Credit Agreement, dated as of December 29, 2016, by and among the Registrant, the Lenders party thereto and Bank of America, N.A., as administrative agent					X
10.13*	Zep Solar, Inc. 2010 Equity Incentive Plan and form of agreements used thereunder	S-8	333-192996	4.5	December 20, 2013	
10.14**	Loan Agreement among Hammerhead Solar, LLC (an indirect wholly owned subsidiary of the Registrant), Bank of America, N.A. and other banks and financial institutions party thereto, dated as of February 4, 2014	10-Q/A	001-35758	10.14	October 10, 2014	
10.14a**	Upsizing Amendment and Acknowledgment among Hammerhead Solar, LLC (an indirect wholly owned subsidiary of the Registrant), Bank of America, N.A. and other banks and financial institutions party thereto, dated as of February 20, 2014	10-Q/A	001-35758	10.14a	October 10, 2014	
10.14b**	Second Upsizing Amendment among Hammerhead Solar, LLC (an indirect wholly owned subsidiary of the Registrant), Bank of America, N.A. and other banks and financial institutions party thereto, dated as of March 20, 2014	10-Q	001-35758	10.14b	May 7, 2014	
10.14c**	Third Amendment to Loan Agreement among Hammerhead Solar, LLC (an indirect wholly owned subsidiary of the Registrant), Bank of America, N.A. and other banks and financial institutions party thereto, dated as of May 23, 2014	10-Q	001-35758	10.14c	August 7, 2014	
10.14d**	Fourth Amendment to Loan Agreement among Hammerhead Solar, LLC (an indirect wholly owned subsidiary of the Registrant), Bank of America, N.A. and other banks and financial institutions party thereto, dated as of August 19, 2014	10-Q	001-35758	10.14d	November 6, 2014	
10.14e	Fifth Amendment to Loan Agreement among Hammerhead Solar, LLC (an indirect wholly owned subsidiary of the Registrant), Bank of America, N.A. and other banks and financial institutions party thereto, dated as of October 28, 2015	10-K	001-35758	10.14e	February 10, 2016	
10.15**	Loan Agreement, dated May 23, 2014, by and among AU Solar 2, LLC (an indirect wholly owned subsidiary of the Registrant), ING Capital LLC, CIT Finance LLC, Goldman Sachs Lending Partners LLC, Crédit Agricole Corporate and Investment Bank and the other banks and financial institutions party thereto	10-Q	001-35758	10.15	August 7, 2014	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
10.15a**	Amendment No. 1 to Loan Agreement, dated as of December 11, 2014, by and among AU Solar 2, LLC (an indirect wholly owned subsidiary of the Registrant), ING Capital LLC, CIT Finance LLC, Goldman Sachs Lending Partners LLC, Crédit Agricole Corporate and Investment Bank and the other banks and financial institutions party thereto	10-K	001-35758	10.15a	February 24, 2015	
10.16	Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of September 2, 2014, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, Inc.	10-Q	001-35758	10.16	November 6, 2014	
10.16a	First Amendment to Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of October 31, 2014, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, Inc.	10-K	001-35758	10.16a	February 24, 2015	
10.16b	Second Amendment to Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of December 15, 2014, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, Inc.	10-K	001-35758	10.16b	February 24, 2015	
10.16c	Third Amendment to Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of February 12, 2015, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, Inc.	10-Q	001-35758	10.16c	May 6, 2015	
10.16d	Fourth Amendment to Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of March 30, 2015, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, Inc.	10-Q	001-35758	10.16d	May 6, 2015	
10.16e	Fifth Amendment to Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of June 30, 2015, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, LLC.	10-Q	001-35758	10.16e	July 30, 2015	
10.16f	Sixth Amendment to Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of September 1, 2015, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, LLC.	10-Q	001-35758	10.16f	October 30, 2015	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
10.16g	Seventh Amendment to Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of October 9, 2015, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, LLC.	10-Q	001-35758	10.16g	October 30, 2015	
10.16h	Eighth Amendment to Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of October 26, 2015, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, LLC.	10-Q	001-35758	10.16h	October 30, 2015	
10.16i	Ninth Amendment to Amended and Restated Agreement For Research & Development Alliance on Triex Module Technology, effective as of December 9, 2015, by and between The Research Foundation For The State University of New York, on behalf of the College of Nanoscale Science and Engineering of the State University of New York, and Silevo, LLC.	10-K	001-35758	10.16i	February 10, 2016	
10.17a**	Standard Definitions, Annex A to the Indenture, dated as of January 9, 2015, by and between FTE Solar I, LLC and U.S. Bank National Association.	10-Q	001-35758	10.17a	May 6, 2015	
10.17b**	Note Purchase Agreement, dated January 9, 2015, by and among FTE Solar I, LLC, SolarCity Finance Company, LLC, SolarCity Corporation, Purchasers, the Funding Agents and Credit Suisse AG, New York Branch.	10-Q	001-35758	10.17b	May 6, 2015	
10.17c**	Omnibus Amendment, dated June 25, 2015, by and among FTE Solar I, LLC, SolarCity Finance Company, LLC, the Registrant, the purchasers party thereto, the funding agents party thereto, Credit SolarCity Suisse AG, New York Branch, as administrative agent and U.S. Bank National Association.	10-Q	001-35758	10.17c	August 9, 2016	
10.17d**	Omnibus Amendment No. 2, dated September 30, 2015, by and among FTE Solar I, LLC, SolarCity Finance Company, LLC, the Registrant, the purchasers party thereto, the funding agents party thereto, Credit SolarCity Suisse AG, New York Branch, as administrative agent and U.S. Bank National Association.	10-Q	001-35758	10.17d	August 9, 2016	
10.17e**	Omnibus Amendment No. 3, dated December 16, 2015, by and among FTE Solar I, LLC, SolarCity Finance Company, LLC, the Registrant, the purchasers party thereto, the funding agents party thereto, Credit SolarCity Suisse AG, New York Branch, as administrative agent and U.S. Bank National Association.	10-Q	001-35758	10.17e	August 9, 2016	
10.17f	Omnibus Amendment No. 4, dated July 29, 2016, by and among FTE Solar I, LLC, SolarCity Finance Company, LLC, the Registrant, the purchasers party thereto, the funding agents party thereto, Credit SolarCity Suisse AG, New York Branch, as administrative agent and U.S. Bank National Association.	10-Q	001-35758	10.17f	August 9, 2016	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
10.18**	Credit Agreement, dated as of March 31, 2015, by and among Shortfin Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the lenders party thereto.	10-Q	001-35758	10.18	May 6, 2015	
10.19**	Loan Agreement, dated as of May 4, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the lenders party thereto.	10-Q	001-35758	10.19	July 30, 2015	
10.19a**	Majority Group Agent Action No. 1, dated as of May 18, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the lenders party thereto.	10-Q	001-35758	10.19a	July 30, 2015	
10.19b**	Required Group Agent Action No. 2, dated as of June 26, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the lenders party thereto.	10-Q	001-35758	10.19b	July 30, 2015	
10.19c	Required Group Agent Action No. 3, dated as of July 13, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the lenders party thereto.	10-Q	001-35758	10.19c	October 30, 2015	
10.19d	Required Group Agent Action No. 4, dated as of August 25, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the lenders party thereto.	10-Q	001-35758	10.19d	October 30, 2015	
10.19e**	Required Group Agent Action No. 5, dated as of August 27, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the lenders party thereto.	10-Q	001-35758	10.19e	October 30, 2015	
10.19f**	Required Group Agent Action No. 7, dated as of September 30, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the lenders party thereto.	10-Q	001-35758	10.19f	October 30, 2015	
10.19g**	Required Group Agent Action No. 8, dated as of October 23, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as administrative agent, and the group agents party thereto.	10-K	001-35758	10.19g	February 10, 2016	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
10.19h	Required Group Agent Action No. 9, dated as of November 25, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the lenders party thereto.	10-K	001-35758	10.19h	February 10, 2016	
10.19i**	Required Group Agent Action No. 10, dated as of December 18, 2015, by and among Megalodon Solar, LLC (an indirect wholly owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-K	001-35758	10.19i	February 10, 2016	
10.19j	Required Group Agent Action No. 11, dated as of January 7, 2016, by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19j	May 9, 2016	
10.19k**	Required Group Agent Action No. 12, dated as of February 29, 2016, by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19k	May 9, 2016	
10.19l**	Required Group Agent Action No. 13, dated as of March 23, 2016, by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19l	May 9, 2016	
10.19m**	Required Group Agent Action No. 14, dated as of March 30, 2016, by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19m	May 9, 2016	
10.19n**	Required Group Agent Action No. 15, dated as of April 25, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19n	August 9, 2016	
10.19o**	Required Group Agent Action No. 16, dated as of May 2, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19o	August 9, 2016	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
10.19p**	Required Group Agent Action No. 17, dated as of May 16, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19p	August 9, 2016	
10.19q**	Administrative Agent Action No. 18, dated as of May 27, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19q	August 9, 2016	
10.19r	Required Group Agent Action No. 19, dated as of June 1, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19r	August 9, 2016	
10.19s**	Administrative Agent Action No. 20, dated as of June 27, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19s	August 9, 2016	
10.19t**	Required Group Agent Action No. 21, dated as of July 29, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19t	November 9, 2016	
10.19u**	Required Group Agent Action No. 22, dated as of September 8, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19u	November 9, 2016	
10.19v	Required Group Agent Action No. 23, dated as of September 15, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19v	November 9, 2016	
10.19w**	Required Group Agent Action No. 24, dated as of September 20, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19w	November 9, 2016	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
10.19x**	Administrative Agent Action No. 25, dated as of September 30, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19x	November 9, 2016	
10.19y**	Required Group Agent Action No. 26, dated as of October 5, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.	10-Q	001-35758	10.19y	November 9, 2016	
10.19z**	Required Group Agent Action No. 27, dated as of November 1, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.					X
10.19aa**	Required Group Agent Action No. 28, dated as of December 9, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.					X
10.19bb**	Required Group Agent Action No. 29, dated as of December 16, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.					X
10.19cc**	Required Group Agent Action No. 30, dated as of December 28, 2016, by and among by and among Megalodon Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, the Registrant, as limited guarantor, Bank of America, N.A., as collateral agent and administrative agent, and the group agents party thereto.					X
10.21**	Credit Agreement, dated as of January 15, 2016, among Mako Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), Mako Solar Holdings, LLC (an indirect wholly-owned subsidiary of the Registrant), [***] (an indirect wholly-owned subsidiary of the Registrant), [***] (an indirect wholly-owned subsidiary of the Registrant), [***] (an indirect wholly-owned subsidiary of the Registrant), the Registrant, Bank of America, N.A., as administrative agent, collateral agent, mandated lead arranger and sole bookrunner, the lenders party thereto, and KeyBank National Association, as joint lead arranger.	10-Q	001-35758	10.21	May 9, 2016	

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
10.21a	First Amendment and Joinder Agreement, dated as of January 22, 2016, by and among Mako Solar, LLC (an indirect wholly-owned subsidiary of the Registrant), as borrower, Silicon Valley Bank, Bank of America, N.A., as administrative agent and collateral agent, the Registrant, as limited guarantor, and the guarantors and lenders party thereto.	10-Q	001-35758	10.21a	May 9, 2016	
10.21b**	Amendment No. 2 to Credit Agreement, dated as of April 22, 2016, by and among the Registrant and certain of its subsidiaries, Bank of America, N.A., as administrative agent and collateral agent, the Registrant, as limited guarantor, and the guarantors and lenders party thereto.	10-Q	001-35758	10.21	August 9, 2016	
10.22**	Credit Agreement dated as of March 31, 2016, among Domino Solar Ltd. (an indirect subsidiary of the Registrant), as borrower, the Registrant, Dom Solar Lessor I, LP (an indirect subsidiary of the Registrant), as original lessor, Credit Suisse AG, New York Branch, as agent for the Lenders, the Lenders party thereto, the Funding Agents party thereto, and U.S. Bank National Association, as paying agent and custodian.	10-Q	001-35758	10.22	May 9, 2016	
10.22a**	Amendment No. 1 to the Credit Agreement, dated as of July 15, 2016, among Domino Solar Ltd. (an indirect subsidiary of the Registrant), as borrower, the Registrant, Dom Solar Lessor I, LP (an indirect subsidiary of the Registrant), as original lessor, Credit Suisse AG, New York Branch, as agent for the Lenders, the Lenders party thereto, the Funding Agents party thereto, and U.S. Bank National Association, as paying agent and custodian.	10-Q	001-35758	10.22a	August 9, 2016	
10.22b**	Amendment No. 2 to the Credit Agreement, dated as of July 29, 2016, among Domino Solar Ltd. (an indirect subsidiary of the Registrant), as borrower, the Registrant, Dom Solar Lessor I, LP (an indirect subsidiary of the Registrant), as original lessor, Credit Suisse AG, New York Branch, as agent for the Lenders, the Lenders party thereto, the Funding Agents party thereto, and U.S. Bank National Association, as paying agent and custodian.	10-Q	001-35758	10.22b	August 9, 2016	
10.24*	Barnard Transition Agreement dated July 29, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 3, 2016).	8-Q	001-35758	10.1	August 1, 2016	
10.25**	Production Pricing Agreement: Phases 1-3 entered into as of December 31, 2016 by and between Tesla Motors, Inc. and SolarCity Corporation, on the one hand, and Panasonic Corporation, Sanyo Electric Co., Ltd., and Panasonic Corporation of North America, on the other hand.					X
24.1	Power of Attorney (contained in the signature page to this Annual Report on Form 10-K)					X
31.1	Certification of the Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of the Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002					X
32.1†	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference	Exhibit Filing Date	Filed Herewith
32.2†	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document.					
101.SCH	XBRL Taxonomy Extension Schema Linkbase Document.					
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.					
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					

* Indicates a management contract or compensatory plan or arrangement.

** Registrant has omitted portions of the relevant exhibit and filed such exhibit separately with the Securities and Exchange Commission pursuant to a request for confidential treatment under Rule 406 under the Securities Act of 1933, as amended.

† The certifications attached as Exhibit 32.1 and 32.2 that accompany this Annual Report on Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of SolarCity Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-K, irrespective of any general incorporation language contained in such filing.

Exhibit 3.2

AMENDED AND RESTATED BY-LAWS

OF

SOLARCITY CORPORATION

A Delaware Corporation

ARTICLE I - GENERAL

Section 1.1. Offices. The registered office of SolarCity Corporation (the "Corporation") in the State of Delaware shall be located at c/o The Corporation Trust Company, 1209 Orange Street, in the city of Wilmington, County of New Castle, State of Delaware, 19801. The name of the Corporation's registered agent at such address shall be The Corporation Trust Company. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the "Board") may from time to time determine or the business of the Corporation may require.

Section 1.2. Seal. The seal of the Corporation shall be in the form approved by the Board.

Section 1.3. Fiscal Year. The fiscal year of the Corporation shall end on December 31 of each year.

ARTICLE II - STOCKHOLDERS

Section 2.1. Place of Meetings. All meetings of the stockholders shall be held at such place within or without the State of Delaware as may be designated from time to time by the Board or the President or, if not so designated, at the registered office of the Corporation.

Section 2.2. Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date to be fixed by the Board, the Chairman of the Board, if any, or the President of the Corporation at the time and place to be fixed by the Board, the Chairman of the Board, if any, or the President of the Corporation and stated in the notice of the meeting. If no annual meeting is held in accordance with the foregoing provisions, the Board shall cause the meeting to be held as soon thereafter as convenient.

Section 2.3. Quorum. At all meetings of the stockholders, the holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum requisite for the transaction of business except as otherwise provided by law, by the Certificate of Incorporation or by these By-Laws. If, however, a quorum shall not be present or represented at any meeting of the stockholders, the chairman of the meeting or the stockholders entitled to vote thereat, present in person or by proxy, by a majority vote, shall have the power to adjourn the meeting from time to time.

Section 2.4. Right to Vote; Proxies. Each stockholder entitled to vote at any meeting shall be entitled to one vote for each share of Common Stock held by him or her. Every stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy by executing an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting.

Section 2.5 Voting. At all meetings of stockholders all questions, except as otherwise expressly provided for by statute, the Certificate of Incorporation or these By-Laws, shall be determined by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter. Except as otherwise expressly provided by law, the Certificate of Incorporation or these By-Laws, at all meetings of stockholders the voting shall be by voice vote, but any stockholder qualified to vote on the matter in question may demand that the vote shall be taken by ballot, each of which shall state the name of the stockholder voting and the number of shares voted by him or her, and, if such ballot be cast by a proxy, it shall also state the name of the proxy. All elections of directors shall be determined by a plurality of the votes cast, except as otherwise required by law or the Certificate of Incorporation.

Section 2.6. Notice of Annual Meetings. Written notice of the annual meeting of the stockholders of the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting shall be given to each stockholder entitled to vote thereat not less than ten (10) days nor more than sixty (60) days before the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. It shall be the duty of every stockholder to furnish to the Secretary of the Corporation or to the transfer agent, if any, the class of stock owned by him, his or her post office address and to notify said Secretary or transfer agent of any change therein.

Section 2.7. Stockholders' List. A complete list of the stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his or her name, shall be open to the examination of any such stockholder for a period of at least ten (10) days prior to the meeting in the manner provided by law.

The stockholders' list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

Section 2.8. Special Meetings. Special meetings of the stockholders for any purpose or purposes, unless otherwise provided by statute, may be called by the Board, the Chairman of the Board, if any, the President or any Vice President.

Section 2.9. Notice of Special Meetings. Written notice of a special meeting of stockholders, stating the place, if any, date and hour of the meeting, the purpose or purposes for which the meeting is called, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting shall be given not less than ten (10) nor more than sixty (60) days before such meeting, to each stockholder entitled to vote thereat. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. No business may be transacted at such meeting except that referred to in said notice, or in a supplemental notice given also in compliance with the provisions hereof, or such other business as may be germane or supplementary to that stated in said notice or notices.

Section 2.10. Inspectors. One or more inspectors may be appointed by the Board in advance of any meeting of stockholders. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer may make such appointment at the meeting. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. At the meeting for which the inspector or inspectors are appointed, he or she or they shall perform all duties required by Section 231 of the Delaware General Corporation Law.

Section 2.11. Stockholders' Action by Consent. Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested.

ARTICLE III - DIRECTORS

Section 3.1. Number of Directors. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the Board shall consist of no less than one (1) person. The exact number of directors shall initially be three (3) and may thereafter be fixed from time to time by resolution of the Board or by the stockholders. Directors need not be stockholders, residents of Delaware or citizens of the United States. A director shall be elected to serve until his or her successor is elected or qualified or until his or her earlier resignation or removal, except as otherwise provided herein or required by law. If the office of any director becomes vacant by reason of death, resignation, disqualification, removal, failure to elect, or otherwise, the remaining directors, although more or less than a quorum, by a majority vote of such remaining directors may elect a successor who shall hold office until his or her successor is elected and qualified.

Section 3.2. Newly Created Directorships. If the number of directors is increased by action of the Board or of the stockholders or otherwise, then the additional directors may be elected in the manner provided above for the filling of vacancies in the Board.

Section 3.3. Resignation. Any director of the Corporation may resign at any time by giving written notice to the Chairman of the Board, if any, the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, at the time of receipt if no time is specified

therein and at the time of acceptance if the effectiveness of such resignation is conditioned upon its acceptance. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.4. Removal. Any director or the entire Board may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

Section 3.5. Place of Meetings and Books. Except as otherwise required by law, the Board may hold their meetings and keep the books of the Corporation outside the State of Delaware, at such place or places as they may from time to time determine.

Section 3.6. General Powers. In addition to the powers and authority expressly conferred upon them by these By-Laws, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 3.7. Other Committees. The Board may designate one or more committees by resolution or resolutions passed by a majority of the whole Board; such committee or committees shall consist of one or more directors of the Corporation, and to the extent provided in the resolution or resolutions designating them, shall have and may exercise specific powers of the Board in the management of the business and affairs of the Corporation to the extent permitted by statute and shall have power to authorize the seal of the Corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board.

Section 3.8. Annual Meeting. The newly elected Board may meet at such place and time as shall be fixed and announced by the presiding officer at the annual meeting of stockholders, for the purpose of organization or otherwise, and no further notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present, or they may meet at such place and time as shall be stated in a notice given to such directors two (2) days prior to such meeting.

Section 3.9. Regular Meetings. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

Section 3.10. Special Meetings. Special meetings of the Board may be called by the Chairman of the Board, if any, or the President, on two (2) days' notice to each director, or such shorter period of time before the meeting as will nonetheless be sufficient for the convenient assembly of the directors so notified; special meetings shall be called by the Secretary in like manner and on like notice, on the written request of any one or more directors.

Section 3.11. Quorum. At all meetings of the Board, a majority of the whole Board shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except: (a) that only a unanimous act of the directors who are present at such meeting shall be the act of the Board with respect to any debt transaction, securitization transaction or other similar financing transaction to which the Corporation or any of its subsidiaries is a party, or any amendment or modification of this clause (a); and (b) as may be otherwise required by statute, or by the Certificate of Incorporation, or by these By-Laws. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained, and no further notice thereof need be given other than by announcement at said meeting which shall be so adjourned.

Section 3.12. Telephonic Participation in Meetings. Members of the Board or any committee designated by such Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Section 3.13. Action by Consent. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if written consent thereto is signed by all members of the Board or of such committee as the case may be and such written consent is filed with the minutes of proceedings of the Board or committee.

ARTICLE IV - OFFICERS

Section 4.1. Selection; Statutory Officers. The officers of the Corporation shall be chosen by the Board. There shall be a President, a Secretary and a Treasurer, and there may be a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers, as the Board may elect. Any number of offices may be held by the same person.

Section 4.2. Additional Officers. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4.3. Terms of Office. Each officer of the Corporation shall hold office until his successor is chosen and qualified, or until his or her earlier resignation or removal. Any officer elected or appointed by the Board may be removed at any time by the Board.

Section 4.4. Compensation of Officers. The Board shall have the power to fix the compensation of all officers of the Corporation. It may authorize any officer, upon whom the power of appointing subordinate officers may have been conferred, to fix the compensation of such subordinate officers.

Section 4.5. Chairman of the Board. The Chairman of the Board, if any, shall preside at all meetings of the stockholders and directors, and shall have such other duties as may be assigned to him or her from time to time by the Board.

Section 4.6. President. Unless the Board otherwise determines, the President shall be the chief executive officer and head of the Corporation. Unless there is a Chairman of the Board, the President shall preside at all meetings of directors and stockholders. Under the supervision of the Board, the President shall have the general control and management of the Corporation's business and affairs, subject, however, to the right of the Board to confer any specific power, except such as may be by statute exclusively conferred on the President, upon any other officer or officers of the Corporation. The President shall perform and do all acts and things incident to the position of President and such other duties as may be assigned to him or her from time to time by the Board.

Section 4.7. Vice-Presidents. The Vice-Presidents shall perform such duties of the President on behalf of the Corporation as may be respectively assigned to them from time to time by the Board or by the President.

Section 4.8. Treasurer. The Treasurer shall have the care and custody of all the funds and

securities of the Corporation which may come into his or her hands as Treasurer, and the power and authority to endorse checks, drafts and other instruments for the payment of money for deposit or collection when necessary or proper and to deposit the same to the credit of the Corporation in such bank or banks or depository as the Board or the officers or agents to whom the Board may delegate such authority, may designate, and he or she may endorse all commercial documents requiring endorsements for or on behalf of the Corporation. He or she may sign all receipts and vouchers for the payments made to the Corporation.

Section 4.9. Secretary. The Secretary shall keep the minutes of all meetings of the Board and of the stockholders; he or she shall attend to the giving and serving of all notices of the Corporation. He or she shall have the custody of the seal of the Corporation and shall affix the same to all instruments requiring it, when authorized by the Board, the Chairman of the Board or the President, and attest to the same. He or she shall have charge of the stock certificate book, transfer book and stock ledger, and such other books and papers as the Board may direct. He or she shall, in general, perform all the duties of Secretary, subject to the control of the Board.

Section 4.10. Assistant Secretary. The Board or any two of the officers of the Corporation acting jointly may appoint or remove one or more Assistant Secretaries of the Corporation. Any Assistant Secretary upon his or her appointment shall perform such duties of the Secretary, and also any and all such other duties as the Board or the President or the Treasurer or the Secretary may designate.

Section 4.11. Assistant Treasurer. The Board or any two of the officers of the Corporation acting jointly may appoint or remove one or more Assistant Treasurers of the Corporation. Any Assistant Treasurer upon his or her appointment shall perform such of the duties of the Treasurer, and also any and all such other duties as the Board or the President or the Treasurer or the Secretary may designate.

ARTICLE V - STOCK

Section 5.1. Stock. Shares of the Corporation's stock may be certificated or uncertificated, provided that each holder of stock represented by certificates shall be entitled to a certificate signed by, or in the name of the Corporation by both of (a) the President or a Vice President, and (b) the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, certifying the number of shares owned by him or her. Any or all of the signatures on the certificate may be by facsimile. In case any officer, transfer agent or registrar who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be an officer, transfer agent or registrar of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature shall have been used thereon had not ceased to be an officer, transfer agent or registrar of the Corporation.

Section 5.2. Fractional Share Interests. The Corporation may, but shall not be required to, issue fractions of a share.

Section 5.3. Transfers of Stock. Subject to any transfer restrictions then in force, the shares of stock of the Corporation shall be transferable only upon its books by the holders thereof in person or by their duly authorized attorneys or legal representatives and upon such transfer the old certificates, if one has been issued, shall be surrendered to the Corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers or to such other person as the directors may designate by whom they shall be cancelled and new certificates, if any, shall thereupon be issued. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and

accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof save as expressly provided by the laws of Delaware.

Section 5.4. Record Date. For the purpose of determining the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described; provided, however, that if no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

Section 5.5. Transfer Agent and Registrar. The Board may appoint one or more transfer agents or transfer clerks and one or more registrars and may require all certificates of stock to bear the signature or signatures of any of them.

Section 5.6. Lost, Stolen, or Destroyed Certificates. No certificates for shares of stock of the Corporation shall be issued in place of any certificate alleged to have been lost, stolen or destroyed, except upon production of such evidence of the loss, theft or destruction and upon indemnification of the Corporation and its agents to such extent and in such manner as the Board may from time to time prescribe.

ARTICLE VI - MISCELLANEOUS MANAGEMENT PROVISIONS

Section 6.1. Notices.

1. Notices to directors may, and notices to stockholders shall, be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the Corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. Notice to directors may also be given by telegram or orally, by telephone or in person.

2. Whenever any notice is required to be given under the provisions of the laws of Delaware or of the Certificate of Incorporation or of these By-Laws, a written waiver of notice, signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 6.2. Voting of Securities Owned by the Corporation. Subject always to the specific

directions of the Board, (a) any shares or other securities issued by any other corporation and owned or controlled by the Corporation may be voted in person at any meeting of security holders of such other corporation by the President of the Corporation if he or she is present at such meeting, or any other officer of the Corporation if he or she is present at such meeting, and (b) whenever, in the judgment of the President or any other officer of the Corporation, it is desirable for the Corporation to execute a proxy or written consent in respect to any shares or other securities issued by any other corporation and owned by the Corporation, such proxy or consent shall be executed in the name of the Corporation by the President or such other officer, without the necessity of any authorization by the Board, affixation of corporate seal or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of the Corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by the Corporation the same as such shares or other securities might be voted by the Corporation.

ARTICLE VII - INDEMNIFICATION

Section 7.1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "Proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "Indemnitee"), whether the basis of such Proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; *provided*, *however*, that, except as provided in Section 7.3 of this Article VII with respect to Proceedings to enforce rights to indemnification, the Corporation shall indemnify any such Indemnitee in connection with a Proceeding (or part thereof) initiated by such Indemnitee only if such Proceeding (or part thereof) was authorized by the Board.

Section 7.2. Right to Advancement of Expenses. The right to indemnification conferred in Section 7.1 of this Article VII shall include the right to be paid by the Corporation the expenses (including attorney's fees) incurred in defending any such Proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); *provided*, *however*, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an Indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such Indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "Undertaking"), by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "Final Adjudication") that such Indemnitee is not entitled to be indemnified for such expenses under this Section 7.2 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 7.1 and 7.2 of this Article VII shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director or officer and shall inure to the benefit of the Indemnitee's heirs, executors and administrators.

Section 7.3. Right to Indemnitee to Bring Suit. If a claim under Section 7.1 or Section 7.2 of this Article VII is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case

the applicable period shall be twenty (20) days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an Undertaking, the Indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an Undertaking the Corporation shall be entitled to recover such expenses upon a Final Adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its Board, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an Undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

Section 7.4. Non-exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Certificate of Incorporation, these By-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 7.5. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 7.6. Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any officer, employee or agent of the Corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE VIII - AMENDMENTS

Section 8.1. Amendments. Subject to Section 3.11 of Article III, these By-Laws may be amended or repealed by the Board or by the stockholders.

Exhibit 10.10s

FOURTEENTH AMENDMENT TO
THE AMENDED AND RESTATED
CREDIT AGREEMENT

THIS FOURTEENTH AMENDMENT TO THE AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated as of December 28, 2016 (the "Amendment Effective Date"), is by and among **SOLARCITY CORPORATION**, a Delaware corporation (the "Borrower"), the Lenders party hereto and **BANK OF AMERICA, N.A.**, as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement.

W I T N E S S E T H

WHEREAS, the Borrower, the Subsidiaries of the Borrower from time to time party thereto (the "Guarantors"), certain banks and financial institutions from time to time party thereto as lenders (the "Lenders"), the Administrative Agent, and Bank of America Merrill Lynch, as sole lead arranger and sole book manager, are parties to that certain Amended and Restated Credit Agreement dated as of November 1, 2013 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement");

WHEREAS, the Borrower wishes to request an increase in the Facility and wishes to invite NY Green Bank as a New Revolving Lender to achieve the full amount of such requested increase;

WHEREAS, the Borrower wishes to amend certain provisions of the Credit Agreement necessary for the inclusion of NY Green Bank as a New Revolving Lender;

WHEREAS, the Loan Parties have requested that the Required Lenders amend certain additional provisions of the Credit Agreement in order to, among other things, allow the Borrower to develop, buy and sell Project related assets; and

WHEREAS, the Required Lenders are willing to make such amendments to the Credit Agreement, in accordance with and subject to the terms and conditions set forth herein, it being agreed that, except as expressly amended hereby, the terms and provisions of the Credit Agreement and each other Loan Document (including all collateral and guaranty requirements thereof) remain in effect without modification.

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.
AMENDMENTS TO CREDIT AGREEMENT

Section 1.01 **New Definitions**. The following definitions are hereby added to Section 1.01 of the Credit Agreement in the appropriate alphabetical order:

"'Adjusted Applicable Percentage' means, with respect to any Lender at any time with respect to each Revolving Borrowing and each participation in any L/C Borrowing or Swingline Loan, such Lender's Adjusted Applicable Percentage determined in accordance with the provisions of Section 2.01(c) and subject to adjustment pursuant to Section 2.15 or Section 2.16, as applicable."

"'Facility Percentage' means, with respect to each Lender at any time, the percentage (carried out to the ninth decimal place) representing such Lender's Revolving Exposure as a portion of the Total Outstandings. "

"'NYGB' means NY Green Bank, a division of the New York State Energy Research & Development Authority."

"'NYGB Borrowing Base' means, at any time of determination, the appraised fair market value of the Eligible Project Back-Log attributable to NY Projects. "

"NYGB Borrowing Base Availability' means, at any time of determination, the difference between (i) the NYGB Borrowing Base minus (ii) NYGB's Revolving Exposure at such time."

"'NYGB Borrowing Base Calculation' means the calculation of the NYGB Borrowing Base, providing for the status of the NYGB Borrowing Base Availability. "

"'NYGB Borrowing Base Deficiency' means (a) at any time a Revolving Loan is to be made by NYGB, the failure of the NYGB Borrowing Base Availability to exceed the aggregate amount of such Revolving Loan or (b) at any time NYGB is to fund a participation in (i) an L/C Borrowing or (ii) a Swingline Loan, the failure of the NYGB Borrowing Base Availability to exceed the aggregate amount of such participation. Such determination shall be made based on the most recently delivered Borrowing Base Certificate and NYGB's Revolving Exposure as reflected in the Register."

"'NYGB Business Day' means the hours between 9:00 a.m. – 4:00 p.m., Eastern time, Monday through Friday, other than the following days: New Year's Day, Dr. Martin Luther King, Jr. Day, Lincoln's Birthday, Washington's Birthday (celebrated on President's Day), Memorial Day, the day before and Independence Day, Labor Day, Columbus Day, Election Day, Veterans' Day, Thanksgiving Day, the day before and after Thanksgiving Day, Christmas Eve and Christmas Day and New Year's Eve and any other day on which banks are required or authorized by law to close in New York State. For purposes hereof, if any day listed above as a day on which NYGB is closed falls on a Sunday, such day is celebrated on the following Monday."

"'NY Project' means a Project located in the State of New York with respect to which the PV System has an aggregate installed footprint of solar panels of 4,000 square feet or less."

"'Project Entity' means any Subsidiary of the Borrower that is formed for the purpose of developing new Projects or acquiring Project related assets."

"'Unadjusted Applicable Percentage' means with respect to any Lender at any time with respect to each Revolving Borrowing and each participation in any L/C Borrowing or Swingline Loan, the percentage (carried out to the ninth decimal place) of the Facility represented by such Lender's Commitment at such time, subject to adjustment as provided in

Section 2.15 or Section 2.16, as applicable. If the Commitment of all of the Lenders to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or Section 2.06, or if the Commitments have expired, then the Unadjusted Applicable Percentage of each Lender in respect of the Facility shall be determined based on the Unadjusted Applicable Percentage of such Lender in respect of the Facility most recently in effect, giving effect to any subsequent assignments. If the Commitment of an individual Lender has been terminated or has otherwise expired, then the Unadjusted Applicable Percentage of each Lender in respect of the Facility whose Commitment has not terminated or expired shall be adjusted to the percentage (carried out to the ninth decimal place) of the Facility (calculated after giving effect to the termination or expiration of such Commitment) represented by such Lender's Commitment at such time, subject to adjustment as provided in Section 2.15 or Section 2.16, as applicable. The Unadjusted Applicable Percentage of each Lender in respect of the Facility is set forth opposite the name of such Lender on Schedule 1.01(b) or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, or in any documentation executed by such Lender pursuant to Section 2.16, as applicable."

Section 1.02 Amendments to Section 1.01. The following definitions set forth in Section 1.01 of the Credit Agreement are hereby amended and restated in their entirety to read as follows:

"'Applicable Percentage' means with respect to any Lender at any time with respect to each Revolving Borrowing and each participation in any L/C Borrowing or Swingline Loan, such Lender's Unadjusted Applicable Percentage or such Lender's Adjusted Applicable Percentage, as the case may be, determined in accordance with the provisions of Section 2.01(c) and subject to adjustment as provided in Section 2.15 or Section 2.16, as applicable."

"'Commitment' means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01(b), (b) purchase participations in L/C Obligations, and (c) purchase participations in Swingline Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 1.01(b) under the caption "Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement and which shall expire upon the Maturity Date applicable to such Lender."

"'Developer Project' means the Acquisition of a developer of PV Systems in the ordinary course of business (i) in which the underlying customer contracts acquired pursuant to such Acquisition meet the definition of "Eligible Project Back-Log" and are included in the calculation thereof, in each case as of the date of such Acquisition and (ii) which is intended to be financed in full by Available Take-Out."

"'Existing Shareholder' means (i) Elon Musk and his estate, spouse, siblings, ancestors, heirs, and lineal descendants, and any spouses of such persons, the legal representatives of any of the foregoing, any bona fide trust of which one or more of the foregoing are the principal beneficiaries or grantors, any other person or entity that is

controlled by any of the foregoing, and any estate planning vehicle over which Elon Musk has exclusive right of control, (ii) funds affiliated with Draper Fisher Jurvetson, (iii) funds affiliated with AJG Growth Fund, including Valor VC, LLC., (iv) funds affiliated with Generation Investment Management LLP, (v) funds affiliated with DBL Investors, including Bay Area Equity Fund, (vi) Jeffrey B. Straubel and (vii) Tesla Motors, Inc., a Delaware corporation or any of its Affiliates or subsidiaries."

"'Fronting Exposure' means, at any time there is a Defaulting Lender that is a Lender, (a) with respect to the L/C Issuer, the aggregate amount of such Defaulting Lender's respective Applicable Percentage of each outstanding L/C Obligation other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, the aggregate amount of such Defaulting Lender's respective Applicable Percentage of each Swingline Loan other than Swingline Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof."

"'L/C Advance' means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage."

"'Material Adverse Effect' means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), financial condition of the Borrower and its Subsidiaries (other than its Excluded Subsidiaries) taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document, or of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party."

"'Permitted Dispositions' means (a) (i) Dispositions of Projects, inventory, equipment and Host Customer Agreements in the ordinary course of business, including Tranching of inventory, equipment and Host Customer Agreements (including any warranties arising in connection therewith), (ii) Dispositions to Cardinal Blue Solar, LLC of inventory, equipment and Host Customer Agreements that (x) could not be Tranched as a result of a failure to satisfy Tranching requirements under the applicable Tax Equity Documents, (y) could not be included in a Backlever Financing as a result of a failure to satisfy requirements under the applicable Backlever Financing documents or (z) could not be included in a System Refinancing as a result of a failure to satisfy requirements under the applicable System Refinancing documents, (iii) cash sales of inventory to Borrower's customers and sale of Projects pursuant to a customer's purchase right under its applicable Host Customer Agreement; (b) Dispositions of property to the Borrower or any Subsidiary; provided, that if the transferor of such property is a Loan Party then the transferee thereof must be a Loan Party; (c) Dispositions of accounts receivable in connection with the collection or compromise thereof; (d) licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of the Borrower and its Subsidiaries; (e) the sale or disposition of Cash Equivalents for fair market value; (f) Dispositions of Equity Interests in accordance with the terms herein; and (g) Disposition of (x) SRECs for the purpose of returning such SRECs or proceeds of such SRECs to an Excluded Subsidiary in accordance with the applicable Tax Equity

Document, (y) SRECs and related contracts necessary for the financing or hedging of SRECs, tracking accounts or proceeds thereof to an SREC Subsidiary for the purposes of financing or hedging of SRECs which is not prohibited hereunder, and (z) SRECs for any other purpose so long as such Disposition is done in an arms-length transaction."

"'Power Purchase Agreements' means a power purchase agreement entered into by Borrower and a customer, pursuant to which such customer agrees to purchase electricity from Borrower generated by a PV System."

"'Related Parties' means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, auditors, regulatory supervisors and representatives of such Person and of such Person's Affiliates."

Section 1.03 Amendments to Section 1.01. The term "Applicable Revolving Percentage" set forth in Section 1.01 of the Credit and used elsewhere in the Agreement is hereby deleted in its entirety and, unless otherwise modified in this Amendment, replaced by the term "Applicable Percentage".

Section 1.04 Amendments to Section 2.01.

(a) Clause (a) of Section 2.01 of the Credit Agreement is hereby amended by adding "and such Lender's Applicable Percentage of the requested Revolving Loan" following "at any time outstanding the amount of such Lender's Commitment" in its first sentence.

(b) Clause (a) of Section 2.01 of the Credit Agreement is hereby amended by adding "NYGB" following "from time to time, on any" in its first sentence.

(c) Section 2.01 of the Credit Agreement is hereby amended by inserting new clause (c) which shall read as follows:

"(c) Adjustments to Applicable Percentages.

(i) Except as set forth in Sections 2.01(c)(ii), 2.01(c)(iii) and 2.01(c)(iv), the Applicable Percentage of each Lender with respect to each Revolving Borrowing and each participation in any L/C Borrowing or Swingline Loan shall be such Lender's Unadjusted Applicable Percentage.

(ii) The obligation of NYGB to make any Revolving Loan shall not exceed the amount of the NYGB Borrowing Base Availability at the time such Revolving Loan is to be made. In the event that, NYGB's Unadjusted Applicable Percentage of the applicable Revolving Borrowing requested is greater than the NYGB Borrowing Base Availability:

(A) NYGB's Applicable Percentage of such Revolving Borrowing shall be the percentage (carried out to the ninth decimal place) determined by dividing the NYGB Borrowing Base Availability by the total amount of the Revolving Borrowing to be made (such percentage to be NYGB's Adjusted Applicable Percentage with respect to such Revolving Borrowing); and

(B) the Applicable Percentage of each Lender other than NYGB with respect to such Revolving Borrowing shall be the percentage (carried out to the ninth decimal place) determined by dividing (1) an amount equal to such Lender's pro rata share (determined based on the Unadjusted Applicable Percentage of such Lender divided by the sum of the Unadjusted Applicable Percentages of all Lenders other than NYGB) of (x) the amount of such Revolving Borrowing minus (y) the amount of the Revolving Loan to be made by NYGB in accordance with the provisions of Section 2.01(c)(ii)(A) by (2) the amount of such Revolving Borrowing requested; provided, however, than in no event shall the amount in clause (1) cause the Revolving Exposure of any such Lender to exceed such Lender's Commitment (such percentage to be such Lender's Adjusted Applicable Percentage with respect to such Revolving Borrowing).

(iii) The obligation of NYGB to make an L/C Advance shall not exceed the amount of the NYGB Borrowing Base Availability at the time such L/C Advance is to be made. A Lender's Applicable Percentage with respect to (x) such Lender's risk participation in each Letter of Credit shall be calculated by utilizing a percentage equal to the Applicable Percentage of such Lender determined in accordance with Section 2.01(c)(i) or Section 2.01(c)(ii) as if a Revolving Borrowing in an amount equal to the amount available to be drawn under such Letter of Credit, determined in accordance with Section 1.06, had been requested to be made at the time of the issuance of such Letter of Credit or of the most recent L/C Credit Extension increasing the amount of such Letter of Credit, and (y) any Unreimbursed Amount with respect to each Letter of Credit shall be equal to such Lender's Applicable Percentage determined in accordance with clause (x) of this sentence. For the avoidance of doubt, the Lenders' Applicable Percentages under clause (x) of the preceding sentence shall be recalculated at the time of any L/C Credit Extension that increases the amount of such Letter of Credit based on the amount of the Letter of Credit as so increased.

(iv) The obligation of NYGB to purchase a risk participation in each Swingline Loan shall not exceed the amount of the NYGB Borrowing Base Availability at the time such funded participation is to be made. A Lender's Applicable Percentage with respect to such Lender's risk participation in each Swingline Loan shall be calculated by utilizing a percentage equal to the Applicable Percentage of such Lender determined in accordance with Section 2.01(c)(i) or Section 2.01(c)(ii) as if a Revolving Borrowing in an amount equal to the amount of the participation had been requested to be made at the time such Swingline Loan is made."

Section 1.05 **Amendments to Section 2.02**.

(a) Clause (a) of Section 2.02 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(a) Notice of Borrowing. Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone; provided that, in the case of any Borrowing, telephonic notice may be given only if the Applicable Percentage of each Lender with respect to such Borrowing will be its Unadjusted Applicable Percentage. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three (3) Business Days prior to the requested date (which shall be a NYGB Business Day) of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans; provided, however, that if the Borrower wishes to request Eurodollar Rate Loans having an Interest Period other than one (1), two (2), three (3) or six (6) months in duration as provided in the definition of "Interest Period", the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. four (4) Business Days prior to the requested date of such Borrowing, conversion or continuation (which shall be a NYGB Business Day), whereupon the Administrative Agent shall give prompt notice to the Appropriate Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., three (3) Business Days before the requested date of such Borrowing, conversion or continuation (which shall be a NYGB Business Day), the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (A) the applicable Facility and whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Loans, as the case may be, under such Facility, (B) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a NYGB Business Day), (C) the principal amount of Loans to be borrowed, converted or continued, (D) the Type of Loans to be borrowed or to which existing Loans are to be converted, (E) if applicable, the duration of the Interest Period with respect thereto, (F) the NYGB Borrowing Base applicable to the requested Borrowing, (G) the amount of NYGB Borrowing Base Availability, (H) whether the Lenders will be required to fund the requested Borrowing based on the respective Unadjusted Applicable Percentage or Adjusted Applicable Percentage, (I) each Lender's Applicable Percentage of the requested Borrowing and (J) each Lender's Revolving Exposure after giving effect to the requested Borrowing. If the Borrower fails to specify a Type of Loan in a Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month. Notwithstanding anything to the contrary herein, a Swingline Loan may not be converted to a Eurodollar Rate Loan."

(b) Clause (b) of Section 2.02 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(b) Advances. Following receipt of a Loan Notice for the Facility, the Administrative Agent shall promptly notify each Appropriate Lender of the amount of its Applicable Percentage under such Facility of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Appropriate Lender of the details of any automatic conversion to Base Rate Loans described in Section 2.02(a). In the case of a Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the NYBG Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall (i) first, apply any amounts made available by a New Revolving Lender to the repayment of any Revolving Loans (and any additional amounts required pursuant to Section 3.05) in accordance with Section 2.16(e), (ii) second, if, on the date a Loan Notice with respect to a Revolving Borrowing is given by the Borrower, there are L/C Borrowings outstanding, apply any proceeds of such Revolving Borrowing to the payment in full of any such L/C Borrowings and (iii) third, make all remaining funds so received available to the Borrower in like funds as received by the Administrative Agent either by (x) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (y) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative

Agent by the Borrower."

Section 1.06 Amendments to Section 2.03.

(a) Sub-clause (a)(i) of Section 2.03 of the Credit Agreement is hereby amended by restating sub-clause (B) in its entirety to read as follows:

"(B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower and any drawings thereunder in an amount up to their respective Applicable Percentage of such Letter of Credit; provided that, after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x)

the Total Outstandings shall not exceed the lesser of (a) the Facility and (b) the Borrowing Base minus the aggregate outstanding principal amount of Short-Term Solar Bonds, (y) the Revolving Exposure of any Lender shall not exceed such Lender's Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit."

(b) Sub-clause (b)(i) of Section 2.03 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by fax transmission, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two (2) Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a NYGB Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a NYGB Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the L/C Issuer may require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require. Each Letter of Credit Application shall also specify the NYGB Borrowing Base. Promptly after receipt of any Letter of Credit Application, the Administrative Agent will confirm (A) each Lender's Revolving Exposure that will result after giving effect to the issuance of the requested Letter of Credit, (B) whether Lenders will be required to purchase their respective participation in the requested Letter of Credit based on their respective Unadjusted Applicable Percentage or Adjusted Applicable Percentage, (C) the amount of the participation to be purchased by each Lender in the requested Letter of Credit and (D) each Lender's Applicable Percentage of the requested Letter of Credit."

(c) Sub-clause (c)(i) of Section 2.03 of the Credit Agreement is hereby amended by adding "and, with respect to each Lender other than NYGB, the condition set forth in Section 4.02(c)" following "other than the delivery of a Loan Notice" in its second sentence.

(d) Sub-clause (c)(ii) of Section 2.03 of the Credit Agreement is hereby amended by adding "NYGB" following "not later than 1:00 p.m. on the".

(e) Sub-clause (c)(iii) of Section 2.03 of the Credit Agreement is hereby amended by inserting the following parenthetical "(other than the delivery of a Loan Notice and, with respect to each Lender other than NYGB, the condition set forth in Section 4.02(c))" following "because the conditions set forth in Section 4.02".

(f) Sub-clause (c)(v) of Section 2.03 of the Credit Agreement is hereby amended by restating the following parenthetical "(other than delivery by the Borrower of a Loan Notice)" as follows: "(other than the delivery of a Loan Notice and, with respect to each Lender other than NYGB, the condition set forth in Section 4.02(c))".

(g) Sub-clause (d)(ii) of Section 2.03 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

> "(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer, on demand of the Administrative Agent, such Lender's pro rata share thereof (determined based upon such Lender's Applicable Percentage used to determine the applicable payment initially made by such Lender), plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement."

(h) Clause(h) of Section 2.03 of the Credit Agreement is hereby amended by replacing "Section 2.15" with "Sections 2.01(c) and 2.15" and "Applicable Revolving Percentage" with "Applicable Percentage with respect to each Letter of Credit,".

Section 1.07 Amendments to Section 2.04.

(a) Clause (a) of Section 2.04 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

> "(a) The Swingline. Subject to the terms and conditions set forth herein, the Swingline Lender, in reliance upon the agreements of the other Lenders set forth in this Section, shall make loans (each such loan, a "Swingline Loan"). Each such Swingline Loan may be made, subject to the terms and conditions set forth herein, to the Borrower, in Dollars, from time to time on any Business Day. During the Availability Period in an aggregate amount not to exceed at any time outstanding

the amount of the Swingline Sublimit, notwithstanding the fact that such Swingline Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Revolving Loans and L/C Obligations of the Lender acting as Swingline Lender, may exceed the amount of such Lender's Commitment; provided, however, that (i) after giving effect to any Swingline Loan, (A) the Total Outstandings shall not exceed the lesser of (x) the Facility and (y) the Borrowing Base minus the aggregate outstanding principal amount of Short-Term Solar Bonds, and (B) the Revolving Exposure of any Lender at such time shall not exceed such Lender's Commitment, (ii) the Borrower shall not use the proceeds of any Swingline Loan to refinance any outstanding Swingline Loan, and (iii) the Swingline Lender shall not be under any obligation to make any Swingline Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section, prepay under Section 2.05, and reborrow under this Section. Each Swingline Loan shall bear interest only at a rate based on the Base Rate. Immediately upon the making of a Swingline Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swingline Lender a risk participation in such Swingline Loan in an amount equal to the product of such Lender's respective Applicable Percentage of such Swingline Loan times the amount of such Swingline Loan."

(b) Sub-clause (b)(i) of Section 2.04 of the Credit Agreement is hereby amended by inserting the following parenthetical "NYGB" following "Borrowing (which shall be a".

(c) Sub-clause (c)(i) of Section 2.04 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(i) The Swingline Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swingline Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount each Swingline Loan then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Facility and the conditions set forth in Section 4.02 (other than the condition set forth in Section 4.02(c), except with respect to NYGB). The Swingline Lender shall furnish the Borrower with a copy of the applicable Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage (calculated in accordance with the provisions of Section 2.01(c)) of the amount specified in such Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swingline Loan) for the account

of the Swingline Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swingline Lender."

(d) Sub-clause (c)(iv) of Section 2.04 of the Credit Agreement is hereby amended by adding "and, with respect to each Lender other than NYGB, the condition set forth in Section 4.02(c)" following "other than the delivery of a Loan Notice" under the proviso found in its first sentence.

Section 1.08 Amendments to Section 2.05.

(a) Sub-clause (a)(i) of Section 2.05 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(i) The Borrower may, upon notice to the Administrative Agent pursuant to delivery to the Administrative Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Revolving Loans in whole or in part without premium or penalty subject to Section 3.05; provided that, unless otherwise agreed by the Administrative Agent, (A) such notice must be received by the Administrative Agent not later than 11:00 a.m. (1) three (3) Business Days prior to any date of prepayment of Eurodollar Rate Loans and (2) on the date of prepayment of Base Rate Loans; (B) any prepayment of Eurodollar Rate Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof; and (C) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the Revolving Borrowing(s) being prepaid, the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage in respect of each Revolving Borrowing (or portion thereof) being prepaid). If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of principal shall be accompanied by all accrued interest on the amount of the Revolving Borrowing(s) being prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Sections 2.01(c) and 2.15, such prepayments shall be paid to the Lenders in accordance with their respective Applicable Percentages in respect of the Revolving Loans being prepaid."

(b) Clause (b) of Section 2.05 of the Credit Agreement is hereby amended by restating sub-clause (i) in its entirety to read as follows:

"(i) Revolving Outstandings. If for any reason a Borrowing Base Deficiency exists, the Borrower shall, upon demand by the Administrative Agent either (x) deliver to the Administrative Agent a Borrowing Base Certificate showing that the Borrowing Base Deficiency no longer exists or (y) immediately prepay Revolving Loans, Swingline Loans and/or L/C Borrowings (together with all accrued but unpaid interest thereon) and/or Cash Collateralize the L/C Obligations in an aggregate amount so that the Borrowing Base Deficiency no longer exists; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(i) unless, after the prepayment of the Revolving Loans and Swingline Loans, a Borrowing Base Deficiency continues to exist."

(c) Sub-clause (b)(ii) of Section 2.05 of the Credit Agreement is hereby amended by restating the second sub-clause ("second, shall be applied to the outstanding Revolving Loans") as follows: "second, shall be applied ratably to the outstanding Revolving Loans".

Section 1.09 Amendments to Section 2.06.

(a) Clause (a) of Section 2.06 of the Credit Agreement is hereby amended by adding "or the Revolving Exposure of any Lender would exceed such Lender's Commitment" following "the Total Outstandings would exceed the Facility" in sub-clause (iii)(A).

(b) Clause (b) of Section 2.06 of the Credit Agreement is hereby amended by replacing "Lender's Applicable Revolving Percentage" with the following: "Lender's Unadjusted Applicable Percentage".

Section 1.10 Amendment to Section 2.07. Clause (a) of Section 2.07 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(a) Revolving Loans. The Borrower shall repay to each Lender on the applicable Maturity Date for such Lender's Commitment the aggregate principal amount of all Revolving Loans made by such Lender and outstanding on such date. To the extent any funds are insufficient to repay any Revolving Loans on the Maturity Date applicable thereto, any funds received by the Administrative Agent pursuant to this Agreement thereafter shall be paid to the Lender(s) holding such Commitments (the "Matured Loans") in accordance with their respective Applicable Percentage in respect of all Matured Loans, subject to the remaining provisions of this Section 2.07. Until amounts outstanding with respect to the Matured Loans have been repaid in full, any funds received by the Administrative Agent pursuant to the terms of this Agreement shall be applied, first, to Secured Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such, second, to Secured Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable ratably to the Lenders and the L/C Issuer (including fees, charges and

disbursements of counsel to the respective Lenders and the L/C Issuer arising under the Loan Documents and amounts payable under Article III), third, , to pay interest due and payable to each Lender (whether or not such Lender is a holder of a Matured Loan) and fourth, to repay amounts outstanding with respect to the Matured Loans."

Section 1.11 **Amendment to Section 2.09**. Clause (a) of Section 2.09 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(a) Commitment Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Facility Percentage, a commitment fee (the "Commitment Fee") equal to the Applicable Rate times the actual daily amount by which such Lender's Commitment exceeds the sum of (i) the Outstanding Amount of such Lender's Revolving Loans and (ii) the Outstanding Amount of such Lender's L/C Obligations, subject to adjustment as provided in Sections 2.01(c) and 2.15. For the avoidance of doubt, the Outstanding Amount of a Lender's Swingline Loans shall not be counted towards or considered usage of the Aggregate Commitments. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period for the Facility."

Section 1.12 **Amendment to Section 2.12**. Clause (b) of Section 2.12 of the Credit Agreement is hereby amended by replacing the word "Unless" found in its first sentence with the following: "Subject to the initial Credit Extension made with respect to any increase pursuant to Section 2.16(e), unless".

Section 1.13 **Amendments to Section 2.13**.

(a) Sub-clause (a)(ii) of Section 2.13 of the Credit Agreement is hereby amended by replacing the phrase "aggregate amount of the Obligations in respect of the Facility" with "aggregate amount of such Obligations".

(b) Sub-clause (b)(ii) of Section 2.13 of the Credit Agreement is hereby amended by replacing the phrase "aggregate amount of the Obligations in respect of the Facility" with "aggregate amount of such Obligations".

Section 1.14 **Amendment to Section 2.15**.

(a) Sub-clause (a)(ii) of Section 2.15 of the Credit Agreement is hereby amended by replacing "in accordance with the Commitments hereunder without giving effect to Section 2.15(a)(v)" with "in accordance with their respective Facility Percentages without giving effect to Section 2.15(a)(v)" in its second to last sentence.

(b) Sub-clause (a)(iv) of Section 2.15 of the Credit Agreement is hereby amended by restating the following parenthetical "(calculated without regard to such Defaulting

Lender's Commitment)" as follows: "(calculated without regard to such Defaulting Lender's Applicable Percentage and in accordance with Section 2.01(c)(i) or Section 2.01(c)(ii) as if a Revolving Borrowing in an amount equal to the aggregate amount payable by the Lenders has been requested to be made at such time)".

(c) Clause (b) of Section 2.15 of the Credit Agreement is hereby amended by adding "(calculated in accordance with Section 2.01(c)(i) or Section 2.01(c)(ii) as if a Revolving Borrowing in an amount equal to the aggregate amount payable by the Lenders has been requested to be made at such time) for each such Loan and each such funded and unfunded participation" following "Lenders in accordance with their Applicable Percentages".

(d) Section 2.15 of the Credit Agreement is hereby amended by inserting new clause (c) which shall read as follows:

"(c) NYGB Business Days. Notwithstanding anything to the contrary contained in this Agreement, (i) any Business Day which is not a NYGB Business Day shall be deemed not to be a Business Day for the purposes of determining whether NYGB has failed to comply with any of its obligations under this Agreement or has become a Defaulting Lender; and (ii) for all purposes under this Agreement (including but not limited to Sections 2.02(b) and 2.12(b)), NYGB shall not be obligated to fund or to pay any amount on any day on which it is not open for business."

Section 1.15 Amendments to Section 2.16.

(a) Clause (d) of Section 2.16 of the Credit Agreement is hereby amended by adding ", any changes in Unadjusted Applicable Percentages" following "the New Revolving Lenders of the final allocation of such increase" in its second sentence.

(b) Clause (e) of Section 2.16 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Revolving Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (ii) in the case of the Borrower, certifying that, immediately before and after giving effect to the Incremental Facility, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct, on and as of the Revolving Increase Effective Date, and except that for purposes of this Section 2.16, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, and (B) no Default exists. The Borrower shall deliver or cause to be delivered any other customary documents, (including, without limitation, legal opinions) as reasonably requested by the Administrative

Agent in connection with any Incremental Facility. In the case of a nonratable increase in the Commitments, the Borrower shall prepay any Revolving Loans outstanding on the Revolving Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep such Revolving Loans ratable among the Lenders in accordance with any revised Applicable Percentages arising from such nonratable increase in the applicable Commitments. In the case of a New Revolving Lender is added, the Administrative Agent shall use the amounts of the initial Loan made by such New Revolving Lender to prepay, on behalf of the Borrower, the Revolving Loan outstanding on the Revolving Increase Effective Date, or any portion thereof (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep such Revolving Loans ratable among the existing Lenders in accordance with any revised Applicable Percentages arising from the addition of such New Revolving Lender."

Section 1.16 Amendments to Section 4.02.

(a) Clause (c) of Section 4.02 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(c) NYGB Borrowing Base Deficiency. Solely with respect to NYGB's obligation to honor the applicable Request for Credit Extension, no NYGB Borrowing Base Deficiency shall exist as of the date of such Credit Extension, or would result from such proposed Credit Extension. For the avoidance of doubt, in no event shall the absence of a NYGB Borrowing Base Deficiency be a condition to the obligation of any Lender or L/C Issuer other than NYGB to honor any Request for Credit Extension."

(b) Section 4.02 of the Credit Agreement is hereby amended by inserting new clause (d) which shall read as follows:

"(d) Request for Credit Extension. The Administrative Agent and, if applicable, the L/C Issuer or the Swingline Lender shall have received a Request for Credit Extension in accordance with the requirements hereof."

(c) Section 4.02 of the Credit Agreement is hereby amended by restating the final paragraph in its entirety to read as follows:

"Each Request for Credit Extension submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a), (b) and (c) (solely with respect to NYGB's obligation to honor the applicable Request for Credit Extension) have been satisfied on and as of the date of the applicable Credit Extension."

Section 1.17 **Amendment to Section 6.02**. Clause (m) of Section 6.02 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

> "(m) Borrowing Base Certificate. As soon as available, but in any event within fifteen (15) days after the end of each month, a Borrowing Base Certificate together with the NYGB Borrowing Base Calculation, a Back-Log Spreadsheet and a Take-Out Spreadsheet and other supporting information (including any Dispositions of the Equity Interest of Project Entities or Developer Projects or of any assets of a Project Entity or Developer Project), each prepared as at the end of such month, duly certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower."

Section 1.18 **Amendment to Section 6.03**. Clause (b) of Section 6.03 of the Credit Agreement is hereby amended by restating the final paragraph in its entirety to read as follows:

> "Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and to the extent applicable and not including any notice provided pursuant to clause (iv) above, stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached. The requirements set forth in this Section 6.03(iv) shall be satisfied with respect to (x) Tax Equity Commitments and Backlever Financing by the satisfaction of the requirements set forth in Section 2.01(b)(ii) and (y) Solar Bonds Financings by providing a listing of such agreements in the Compliance Certificate."

Section 1.19 **Amendment to Section 6.13**.

(a) Section 6.13 of the Credit Agreement is hereby amended by adding the following proviso immediately at the end of such section:

> "; provided further, however, that, with respect to any Project Entity or Developer Project, neither the requirement to deliver a legal opinion pursuant to Section 4.01(c) nor the requirements set forth in clauses (b), (c) or (d) of Section 6.14 shall apply until the date that is six (6) months (or such later date as agreed to by the Administrative Agent in its reasonable discretion) after such Project Entity or Developer Project executes a Joinder Agreement (or is required to execute a Joinder Agreement, subject to any applicable extensions) pursuant to this Section 6.13."

Section 1.20 **Amendments to Section 7.03**.

(a) Sub-clause (iv) of clause (c) of Section 7.03 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(iv) so long as no Default has occurred and is continuing or would result from such Investment, Investments by the Loan Parties in Excluded Subsidiaries in an aggregate amount invested from the date hereof not to exceed $15,000,000,"

(b) Clause (k) of Section 7.03 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(k) Investments not exceeding $25,000,000 in the aggregate outstanding after taking into account Investments under clause 7.03(c)(iv) above;"

Section 1.21 Amendments to Section 7.05.

(a) Section 7.05 of the Credit Agreement is hereby by (x) deleting the "and" at the end of clause (g), (y) adding "; and" and deleting the "." at the end of clause (h), and (z) adding the following clause (i) immediately after clause (h) as follows:

"(i) Dispositions of the Equity Interest of Project Entities or Developer Projects or of any assets of a Project Entity or Developer Project so long as (i) such Dispositions are made for fair market value, as determined by the Borrower in its reasonable discretion, (ii) such Dispositions do not result in a Borrowing Base Deficiency and (iii) no Event of Default has occurred and is continuing at the time of such Disposition."

Section 1.22 Amendment to Section 7.09. Clause (b) of Section 7.09 of the Credit Agreement is hereby amended and restated to read as follows:

"(b) requires the grant of any Lien on property for any obligation if a Lien on such property is given as security for the Secured Obligations, except for any document or instrument governing Indebtedness permitted hereunder, provided that any such restriction contained therein is a Permitted Lien or otherwise relates to only the asset or assets constructed or acquired in connection therewith."

Section 1.23 Amendments to Section 11.01.

(a) Clause (a) of Section 11.01 of the Credit Agreement is hereby amended and restated to read as follows:

"(a) waive (i) any condition set forth in Section 4.01, or, in the case of the initial Credit Extension, Section 4.02, without the written consent of each Lender or (ii) at any time, the condition set forth in Section 4.02(c) without the written consent of NYGB;"

(b) Clause (b) of Section 11.01 of the Credit Agreement is hereby amended and restated to read as follows:

"(b) without limiting the generality of clause (a) above, waive any condition set forth in Section 4.02 as to any Credit Extension without the written consent of the

Required Lenders; provided, that any waiver of Section 4.02(c) requires the written consent of NYGB;"

(c) Clause (e) of Section 11.01 of the Credit Agreement is hereby amended and restated to read as follows:

"(e) change Sections 2.13 or 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;"

(d) Clause (j) of Section 11.01 of the Credit Agreement is hereby amended and restated to read as follows:

"(j) (i) amend the definition of "Borrowing Base" or any defined terms (or components of such defined terms) used therein if the impact of such amendment is to increase the amount of the Borrowing Base without the consent of Supermajority Lenders or (ii) amend the definition of "NYGB Borrowing Base" without the consent of NYGB."

Section 1.24 **Amendment to Section 11.04**. Clause (c) of Section 11.04 of the Credit Agreement is hereby amended by replacing "such Lender's Applicable Percentage" with "such Lender's Facility Percentage" and "applicable unreimbursed" with "applicable unreimbursable".

Section 1.25 **Amendment to Section 11.06**. Sub-clause (b)(vi) of Section 11.06 of the Credit Agreement is hereby amended by restating sub-clause (B) in its entirety to read as follows:

"(B) acquire (and fund as appropriate) its full pro rata share of all Revolving Borrowings and participations in Letters of Credit and Swingline Loans in accordance with its Applicable Percentage of each Revolving Borrowing and participation."

Section 1.26 **Amendment to Section 11.07**. Section 11.07 of the Credit Agreement is hereby amended by inserting new clauses (e) and (f) which shall read as follows:

"(e) FOIL. NOTWITHSTANDING ANY PROVISON OF THIS SECTION 11.07 TO THE CONTRARY, THE LOAN PARTIES ACKNOWLEDGE AND AGREE THAT ALL INFORMATION, IN ANY FORMAT, SUBMITTED TO NYGB SHALL BE SUBJECT TO AND TREATED IN ACCORDANCE WITH THE NYS FREEDOM OF INFORMATION LAW ("FOIL," PUBLIC OFFICERS LAW, ARTICLE 6). PURSUANT TO FOIL, NYGB IS REQUIRED TO MAKE AVAILABLE TO THE PUBLIC, UPON REQUEST, RECORDS OR PORTIONS THEREOF WHICH IT POSSESSES, UNLESS THAT INFORMATION IS STATUTORILY EXEMPT FROM DISCLOSURE. THEREFORE, UNLESS THIS AGREEMENT SPECIFICALLY REQUIRES OTHERWISE, THE LOAN PARTIES SHOULD SUBMIT INFORMATION TO NYGB IN A NONCONFIDENTIAL, NONPROPRIETARY FORMAT. FOIL DOES PROVIDE THAT NYGB MAY DENY ACCESS TO RECORDS OR

PORTIONS THEREOF THAT "ARE TRADE SECRETS OR ARE SUBMITTED TO AN AGENCY BY A COMMERCIAL ENTERPRISE OR DERIVED FROM INFORMATION OBTAINED FROM A COMMERCIAL ENTERPRISE AND WHICH IF DISCLOSED WOULD CAUSE SUBSTANTIAL INJURY TO THE COMPETITIVE POSITION OF THE SUBJECT ENTERPRISE." SEE PUBLIC OFFICERS LAW, § 87(2)(D). ACCORDINGLY, IF THIS AGREEMENT SPECIFICALLY REQUIRES SUBMISSION OF INFORMATION IN A FORMAT THE LOAN PARTIES CONSIDER A PROPRIETARY AND/OR CONFIDENTIAL TRADE SECRET, THE LOAN PARTIES SHALL FULLY IDENTIFY AND PLAINLY LABEL THE INFORMATION "CONFIDENTIAL" OR "PROPRIETARY" AT THE TIME OF DISCLOSURE. BY SO MARKING SUCH INFORMATION, THE LOAN PARTIES REPRESENT THAT THE INFORMATION HAS ACTUAL OR POTENTIAL SPECIFIC COMMERCIAL OR COMPETITIVE VALUE TO THE COMPETITORS OF THE LOAN PARTIES. WITHOUT LIMITATION, INFORMATION WILL NOT BE CONSIDERED CONFIDENTIAL OR PROPRIETARY IF IT IS OR HAS BEEN (I) GENERALLY KNOWN OR AVAILABLE FROM OTHER SOURCES WITHOUT OBLIGATION CONCERNING ITS CONFIDENTIALITY; (II) MADE AVAILABLE BY THE OWNER TO OTHERS WITHOUT OBLIGATION CONCERNING ITS CONFIDENTIALITY; OR (III) ALREADY AVAILABLE TO NYGB WITHOUT OBLIGATION CONCERNING ITS CONFIDENTIALITY. IN THE EVENT OF A FOIL REQUEST, IT IS NYGB'S POLICY TO CONSIDER RECORDS AS MARKED ABOVE PURSUANT TO THE TRADE SECRET EXEMPTION PROCEDURE SET FORTH IN 21 NEW YORK CODES RULES & REGULATIONS §501.6 AND ANY OTHER APPLICABLE LAW OR REGULATION. HOWEVER, NYGB CANNOT GUARANTEE THE CONFIDENTIALITY OF ANY INFORMATION SUBMITTED. MORE INFORMATION ON FOIL, AND THE RELEVANT STATUTORY LAW AND REGULATIONS, CAN BE FOUND AT THE WEBSITE FOR THE COMMITTEE ON OPEN GOVERNMENT (HTTP://WWW.DOS.STATE.NY.US/COOG/FOIL2.HTML) AND NYGB'S REGULATIONS, PART 501.

(f) PUBLICITY. THE BORROWER HEREBY AGREES THAT ANY LENDER OR ANY OF ITS AFFILIATES MAY (I) AGGREGATE AND ANONYMIZE DATA PROVIDED TO SUCH LENDER FOR USE AND PUBLIC DISCLOSURE IN REPORTS OR IN ACCORDANCE WITH SUCH LENDER'S REGULATORY REQUIREMENTS, (II) DISCLOSE A GENERAL DESCRIPTION OF TRANSACTIONS ARISING UNDER THE LOAN DOCUMENTS FOR ADVERTISING, MARKETING, REGULATORY OR OTHER SIMILAR PURPOSES AND (III) USE THE BORROWER'S NAME, LOGO OR OTHER INDICIA GERMANE TO SUCH PARTY IN CONNECTION WITH SUCH ADVERTISING, MARKETING OR OTHER SIMILAR PURPOSES, SO LONG AS, IN EACH CASE DESCIBED IN CLAUSES (II) AND (III), THE BORROWER HAS BEEN PROVIDED THE OPPORTUNITY TO REVIEW AND HAS APPROVED ANY SUCH

DISCLOSURE MATERIALS THAT CONTAIN MATERIAL NOT SUBSTANTIALLY SIMILAR TO MATERIAL CONTAINED IN THE TRANSACTION PROFILE. BORROWER ACKNOWLEDGES THAT IT HAS REVIEWED A PRELIMINARY DRAFT OF THE TRANSACTION PROFILE THAT NYGB IS REQUIRED TO POST PUBLICLY IN ACCORDANCE WITH ITS REGULATORY REQUIREMENTS, AND BORROWER AGREES NYGB MAY POST THE TRANSACTION PROFILE IN SUBSTANTIALLY THE SAME FORM, ONCE FINALIZED WITH FURTHER APPROVAL (NOT TO BE UNREASONABLY WITHELD OR DELAYED) FROM BORROWER AND THE ADMINISTRATIVE AGENT, ON ITS WEBSITE AND IN ITS PUBLICLY-FILED METRICS REPORTS. ADMINISTRATIVE AGENT SHALL BE AN EXPLICIT THIRD PARTY BENEFICIARY OF THE IMMEDIATELY PRECEDING SENTENCE OF THIS SECTION 11.07(f)."

Section 1.27 **Amendment to Section 11.14**. Section 11.14 of the Credit Agreement is hereby amended by restating Clause (b) in its entirety as follows:

"(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF (" THE MANHATTAN COURTS "). THE ADMINISTRATIVE AGENT, THE L/C ISSUER AND EACH LENDER (WITH THE EXCEPTION OF NYGB) IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST NYGB IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE MANHATTAN COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF THE MANHATTAN COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT

SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION."

Section 1.28 **Amendment to Article XI**. Article XI of the Credit Agreement is hereby amended by adding new Section 11.24 as follows:

"**Section 11.24** **Iran Divestment Act**.

In accordance with Section 2879c of the Public Authorities Law, by signing this Agreement, each of the Loan Parties certifies, for itself and its respective Affiliates under penalty of perjury, to the best of its knowledge and belief, that neither itself nor the other Loan Parties nor any of their respective Affiliates is on the list created pursuant to paragraph (b) of subdivision 3 of section 165a of the New York State Finance Law (See www.ogs.ny.gov/about/regs/ida.asp)."

Section 1.29 **Amendment to Exhibit Q**. Exhibit Q to the Credit Agreement is hereby amended by adding new item (10) following item (9) ("Borrowing Availability (Borrowing Base Deficiency) the lesser of ((1) minus (8)) and ((s) minus (6))" as follows:

"(10) NYGB Borrowing Base Calculation $[•]"

ARTICLE II.
RATIFICATION OF NYGB AS NEW REVOLVING LENDER

Section 2.01 **Ratification of NY Green Bank as a New Revolving Lender**. The Required Lenders and the Administrative Agent hereby ratify (a) the Borrower's request for an Incremental Facility (the "Request for Increase") and invitation to NY Green Bank to become a New Revolving Lender to achieve the full amount of such request (such amount, the "NYGB Increase") and (b) the Administrative Agent's receipt of the NYGB Initial Loan Notice for the amount stated therein, pursuant to the terms of this Amendment.

ARTICLE III.
CONDITIONS TO EFFECTIVENESS

Section 3.01 **Conditions to Effectiveness**. This Amendment shall become effective as of the Amendment Effective Date upon:

(a) receipt by the Administrative Agent of a copy of this Amendment, in form and substance reasonably acceptable to the Administrative Agent, duly executed by Borrower, the Required Lenders and Administrative Agent;

(b) receipt by the Administrative Agent of the joinder agreement duly executed by the Borrower, NY Green Bank and the Administrative Agent and all other documentation required as a condition precedent for the Incremental Facility pursuant to Section 2.16 of the Credit Agreement;

(c) receipt by the Administrative Agent of a duly completed and signed Loan Notice requesting a Borrowing (equal to the percentage of the NYGB Increase necessary to maintain NYGB's initial Loan ratable to the Loans of other Lenders) from NYGB (the "NYGB Initial Loan Notice"); and

(d) payment by the Borrower to the Administrative Agent of an amount in respect, and for the benefit, of each Lender equal to the *product* of (i) 10 basis points and (ii) such Lender's Commitment as of July 24, 2016.

ARTICLE IV.
MISCELLANEOUS

Section 4.01 **Amended Terms**. On and after the Amendment Effective Date, all references to the Credit Agreement in each of the Loan Documents shall hereafter mean the Credit Agreement as amended by this Amendment. Except as specifically amended hereby or otherwise agreed, the Credit Agreement is hereby ratified and confirmed and shall remain in full force and effect according to its terms.

Section 4.02 **Representations and Warranties of Loan Parties**. Each of the Loan Parties represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment.

(b) This Amendment has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Person of this Amendment, other than those which have been duly obtained.

(d) the representations and warranties set forth in Article V of the Credit Agreement and the other Loan Documents are true and correct in all material respects (except for (A) those which expressly relate to an earlier date, including for the avoidance of doubt, Sections 5.05 (which shall refer to the most recent statements furnished pursuant to Section 6.01 of the Credit Agreement, as applicable), 5.19, 5.20, and 5.21(b) through (h) and (B) Section 5.09(c), which inaccuracy could not reasonably be expected to have a Material Adverse Effect).

(e) Immediately before and after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default.

(f) After giving effect to this Amendment, the Collateral Documents continue to create a valid security interest in, and Lien upon, the Collateral, in favor of the Administrative

Agent, for the benefit of the Lenders, which security interests and Liens are perfected in accordance with the terms of the Collateral Documents and prior to all Liens other than Permitted Liens.

(g) The Obligations are not reduced or modified by this Amendment and are not subject to any offsets, defenses or counterclaims.

(h) The NYGB Borrowing Base Availability exceeds the aggregate amount of the NYGB Increase.

Section 4.03 **Reaffirmation of Obligations**. Each Loan Party hereby ratifies the Credit Agreement and acknowledges and reaffirms (a) that it is bound by all terms of the Credit Agreement applicable to it and (b) that it is responsible for the observance and full performance of its respective Obligations.

Section 4.04 **Loan Document**. This Amendment shall constitute a Loan Document under the terms of the Credit Agreement.

Section 4.05 **Expenses**. The Borrower agrees to,

(a) promptly upon receipt of an invoice therefor, pay all reasonable costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including without limitation the reasonable fees and expenses of the Administrative Agent's legal counsel; and

(b) promptly after the Amendment Effective Date, pay to the Administrative Agent an amount, in respect, and for the benefit, of each Required Lender executing this Amendment on or before December 28, 2017, equal to the *product* of (i) 10 basis points and (ii) such Required Lender's Commitment as of the Amendment Effective Date.

Section 4.06 **Further Assurances**. The Loan Parties agree to promptly take such action, upon the request of the Administrative Agent, as is necessary to carry out the intent of this Amendment.

Section 4.07 **Continuing Effect**. Except as expressly amended, waived or otherwise modified hereby, the Credit Agreement shall continue to be and shall remain in full force and effect in accordance with its terms. This Amendment shall not constitute an amendment, consent, waiver or other modification of any provision of the Credit Agreement not expressly referred to herein and shall not be construed as an amendment, consent, waiver or other modification of any action on the part of the Borrower or the other Loan Parties that would require an amendment, consent or waiver of the Administrative Agent or the Lenders except as expressly stated herein, or be construed to indicate the willingness of the Administrative Agent or the Lenders to further amend, waive or otherwise modify any provision of the Credit Agreement amended, waived or otherwise modified hereby for any other period, circumstance or event. Except as expressly set forth herein, each Lender and the Administrative Agent reserves all of its rights, remedies, powers and privileges under the Credit Agreement, the other Loan Documents, applicable law and/or equity.

Section 4.08 **Entirety**. This Amendment and the other Loan Documents embody the entire agreement among the parties hereto and supersede all prior agreements and understandings, oral or written, if any, relating to the subject matter hereof.

Section 4.09 **Counterparts; Telecopy**. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment or any other document required to be delivered hereunder, by fax transmission or e-mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement. Without limiting the foregoing, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 4.10 **No Actions, Claims, Etc.** As of the date hereof, each of the Loan Parties hereby acknowledges and confirms that it has no knowledge of any actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, against the Administrative Agent, the Lenders, or the Administrative Agent's or the Lenders' respective officers, employees, representatives, agents, counsel or directors arising from any action by such Persons, or failure of such Persons to act under the Credit Agreement on or prior to the date hereof.

Section 4.11 **GOVERNING LAW**. THIS AMENDMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 4.12 **Successors and Assigns**. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 4.13 **Consent to Jurisdiction; Service of Process; Waiver of Jury Trial**. The jurisdiction, service of process and waiver of jury trial provisions set forth in Sections 11.14 and 11.15 of the Credit Agreement are hereby incorporated by reference, mutatis mutandis.

IN WITNESS WHEREOF the parties hereto have caused this Amendment to be duly executed on the date first above written.

BORROWER:

SOLARCITY CORPORATION,
a Delaware corporation

By: /s/ Lyndon Rive
Name: Lyndon Rive
Title: Chief Executive Officer

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.,
in its capacity as Administrative Agent

By: /s/ Denise Jones
Name: Denise Jones
Title: Assistant Vice President

LENDERS:

BANK OF AMERICA, N.A.,
in its capacity as Lender, L/C Issuer and Swingline Lender

By: /s/ G. Christopher Miller
Name: G. Christopher Miller
Title: Senior Vice President

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender

By: /s/ Mikhail Faybusovich
Name: Mikhail Faybusovich
Title: Authorized Signatory

By: /s/ Nicholas Goss
Name: Nicholas Goss
Title: Authorized Signatory

SILICON VALLEY BANK,
as a Lender

By: /s/ Mona Maitra
Name: Mona Maitra
Title: Vice President

WESTERN ALLIANCE BANK, AN ARIZONA CORPORATION, AS SUCCESSOR IN INTEREST TO BRIDGE BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Randall Lee
Name: Randall Lee
Title: Vice President

CIT BANK, N.A.,
as a Lender

By: /s/ Daniel Miller
Name: Daniel Miller
Title: Managing Director

DEUTSCHE BANK AG, NEW YORK BRANCH,
as a Lender

By: /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Vice President

By: /s/ Anca Trifan
Name: Anca Trifan
Title: Managing Director

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Ushma Dedhiya
Name: Ushma Dedhiya
Title: Authorized Signatory

CITIBANK, N.A.,
as a Lender

By: /s/ Michael Smolow
Name: Michael Smolow
Title: Vice President

GUARANTOR CONSENT

Each of the undersigned (each a "Guarantor") consents to the foregoing Amendment to Credit Agreement and other Loan Documents ("Amendment") and the transactions contemplated thereby and reaffirms its obligations under Article X (Continuing Guaranty) of the Credit Agreement (as the same may be amended, modified, supplemented or replaced from time to time, the "Guaranty").

Each Guarantor reaffirms, to the extent a party thereto, that its obligations under the Guaranty are separate and distinct from Borrower's obligations and reaffirms its waivers, as set forth in the Guaranty, of each and every one of the possible defenses to such obligations.

Furthermore, each Guarantor acknowledges and agrees that any reference to the term "Credit Agreement" in the Guaranty shall mean the Credit Agreement dated of even date with the Guaranty together with all amendments, increases or modifications thereto.

Agreed and Acknowledged:

POPPY ACQUISITION LLC

By: /s/ Lyndon Rive
Name: Lyndon Rive
Title: Chief Executive Officer

ZEP SOLAR, LLC

By: /s/ Lyndon Rive
Name: Lyndon Rive
Title: Chief Executive Officer

SILEVO, LLC

By: /s/ Lyndon Rive
Name: Lyndon Rive
Title: President

Exhibit 10.19z

CONFIDENTIAL TREATMENT REQUESTED

Certain portions of this document have been omitted pursuant to a request for Confidential Treatment and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The confidential material has been filed separately with the Securities and Exchange Commission.

REQUIRED GROUP AGENT ACTION NO. 27

This **REQUIRED GROUP AGENT ACTION NO. 27** (this "Action"), dated as of November 1, 2016 (the "Effective Date"), is entered into by and among Megalodon Solar, LLC, a Delaware limited liability company ("Borrower"), Bank of America, N.A., as the Administrative Agent ("Administrative Agent"), the Collateral Agent for the Secured Parties ("Collateral Agent") and each of Bank of America, N.A. ("BA Agent"), Credit Suisse AG, New York Branch (" CS Agent"), Deutsche Bank AG, New York Branch ("DB Agent"), ING Capital LLC ("ING Agent"), KeyBank National Association ("KB Agent"), National Bank of Arizona ("NBAZ Agent"), Silicon Valley Bank ("SVB Agent") and CIT Bank, N.A. ("CIT Agent" and collectively with BA Agent, CS Agent, DB Agent, ING Agent, KB Agent, NBAZ Agent and SVB Agent, the " Group Agents"), as Group Agents party to the Loan Agreement, dated as of May 4, 2015 (as amended, the "Loan Agreement"), by and among the Borrower, Administrative Agent, Collateral Agent, the Group Agents, the Lenders and the other parties from time to time party thereto. As used in this Action, capitalized terms which are not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

A. The Borrower has requested the Required Group Agents to provide their consent to the addition and inclusion to the Loan Agreement and the other Financing Documents of (the "Subject Fund Transactions"): [***] ("[***]"), as a Subject Fund, and (2) [***] ("[***]"), as a Subject Fund, and [***] ("[***]"), as a Borrower Subsidiary Party (collectively, [***], [***] and [***], the "New Entities");

B. The Required Group Agents are willing to provide their consent to the Subject Fund Transactions on the terms and subject to the conditions set forth in this Action; and

C. The Borrower, the Required Group Agents, the Administrative Agent and the Collateral Agent desire to amend the Loan Agreement as set forth herein.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

Section 1. Amendments to the Loan Agreement. Subject to the prior satisfaction of the conditions precedent described in Section 4 hereof, the Loan Agreement will be amended as follows (clauses (a) – (d) below, collectively, the " Loan Agreement Amendments"):

(a) Schedule 1.1(b) to the Loan Agreement shall be amended by amending and restating the table therein in its entirety:

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Partnership Managing Member / Lessor Managing Member / Borrower Subsidiary (Other Non-Financed Structure)	Equity Interests Owned as of date related Partnership or Lessor Partnership becomes a Subject Fund
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

(b) Appendix 1 of the Loan Agreement shall be amended and restated as set forth in Exhibit 1 attached hereto;

(c) Appendix 4 of the Loan Agreement shall be amended and restated as set forth in Exhibit 2 attached hereto; and

(d) Appendix 5 of the Loan Agreement shall be amended and restated as set forth in Exhibit 3 attached hereto.

Section 2. Acknowledgments and Consents. Subject to the prior satisfaction of the conditions precedent described in Section 4 hereof:

(a) the Required Group Agents consent to the Loan Agreement Amendments, with acknowledgement by each of the Administrative Agent and the Collateral Agent;

(b) the Administrative Agent and the Required Group Agents consent to the Subject Fund Transactions pursuant to and in accordance with Section 2.10(a) of the Loan Agreement;

(c) the Administrative Agent and the Required Group Agents acknowledge and agree that (i) that certain tax insurance policy, effective as of September 1, 2016 naming [***] as named insured (the "Existing Tax Loss Policy"), satisfies the requirements of Section 11.11(b)(iv) of the Loan Agreement and (ii) pursuant to Section 11.11(b) of the Loan Agreement, no Tax Loss Policy is required for [***] so long as the Existing Tax Loss Policy remains in full force and effect; and

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

(d) the Required Group Agents agree to deem the requirements of Section 6.15(b) of the Loan Agreement satisfied during the period through November 30, 2016 in respect of the [***]; provided, that no such deemed consent shall have been given under this Section 2(d) unless the Borrower or [***] shall have delivered control agreements with respect to the deposit accounts of [***] in form substantially the same as those in place for [***] (or otherwise reasonably acceptable to the Administrative Agent) to the Collateral Agent no later than November 30, 2016.

Section 3. Covenants. Borrower hereby agrees that, if [***] is a Subject Fund on the date that certain Master Lease Agreement, dated as of [***], by and between [***] and [***] (the "Master Lease") is terminated, Borrower shall cause [***] to enter into a maintenance services agreement and an administrative services agreement substantially similar to those in place for [***] (or otherwise reasonably acceptable to the Administrative Agent) to be effective as of the date the Master Lease is terminated.

Section 4. Conditions Precedent. This Action shall be effective upon the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received counterparts of this Action, executed and delivered by each of the other parties hereto.

(b) The Administrative Agent shall have received a certificate of the Borrower dated as of the Effective Date signed by a Responsible Officer of the Borrower (i) making the Tax Equity Representations with respect to [***] and [***], as applicable, and (ii) certifying that each representation and warranty of the Borrower contained in Article 4 of the Loan Agreement is true and correct in all material respects as of the Effective Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date) other than those representations and warranties that are modified by materiality by their own terms, which shall be true and correct in all respects as of the Effective Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all respects as of such earlier date).

(c) The Borrower shall have delivered or caused to be delivered to the Administrative Agent a Tax Equity Required Consent from (i) with respect to [***], [***], and (ii) with respect to [***], [***], each in connection with the Subject Fund Transactions, as applicable.

(d) Each of the Administrative Agent and each Group Agent shall have received an opinion, dated no earlier than the Effective Date, of Wilson Sonsini Goodrich & Rosati, counsel to the Loan Parties, the Borrower Subsidiary Parties and SolarCity, in form and substance reasonably acceptable to the Administrative Agent, the Collateral Agent and the Majority Group Agents, with respect to the Subject Fund Transactions.

(e) Each of the Administrative Agent and each Group Agent shall have received opinions, dated no earlier than the Effective Date, of Proskauer Rose LLP, special bankruptcy counsel to the Loan Parties, the Borrower Subsidiary Parties and SolarCity, each in form and substance reasonably acceptable to the Administrative Agent, the Collateral Agent and the Majority Group Agents, with respect to the Subject Fund Transactions.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

(f) The Administrative Agent and the Collateral Agent shall have received (i) searches of UCC filings in the jurisdiction of incorporation or formation, as applicable, of each of the New Entities and the Borrower and each jurisdiction where a filing would need to be made in order to perfect the security interest of the Collateral Agent (for the benefit of the Secured Parties) in the Collateral in respect of the New Entities (the "New Collateral"), (ii) copies of the financing statements on file in such jurisdictions and evidence that no liens exist on the New Collateral pledged by [***] other than Permitted Liens, (iii) copies of the financing statements on file in such jurisdictions and evidence that no liens exist on the New Collateral pledged by [***] and the Borrower other than Permitted Liens of the type set forth in clauses (b), (c) or (d) of the definition thereof and (iv) copies of tax lien, judgment and bankruptcy searches in such jurisdictions.

(g) The Collateral Agent shall have received all documentation in connection with the New Collateral, including (i) a Joinder Agreement in the form attached as Exhibit C to the Security Agreement, executed by each of [***], [***], the Collateral Agent and the Borrower, dated as of the Effective Date, (ii) a Joinder Agreement in the form attached as Exhibit B-1 to the CADA, executed by each of [***], [***], the Collateral Agent and the Borrower, dated as of the Effective Date, (iii) a Joinder Agreement in the form attached as Exhibit C to the Borrower Subsidiary Party Security Agreement, executed by each of [***], [***]and the Collateral Agent, dated as of the Effective Date and (iv) any other data, documentation, analysis or report reasonably requested by the Administrative Agent with respect to the New Entities.

(h) (i) The UCC financing statements relating to the New Collateral shall have been duly filed in each office and in each jurisdiction where required in order to create and perfect the first priority Lien and security interest set forth in the Collateral Documents (as supplemented and as such term is defined in the Loan Agreement, as amended) and (ii) the Borrower shall have properly delivered or caused to be delivered to the Collateral Agent all New Collateral in which the Lien and security interest described above is permitted to be perfected by possession or control, including delivery of original certificates representing all issued and outstanding Equity Interests in [***] and [***] and the pledged interests in [***] pursuant to the Borrower Subsidiary Party Security Agreement, along with the applicable blank transfer powers and proxies.

(i) Each of the other conditions precedent as set forth in Section 3.4 of the Loan Agreement shall have been satisfied with respect to the Subject Fund Transactions.

(j) The Administrative Agent shall have received for its own account all costs and expenses described in Section 7 of this Action, for which invoices have been presented in connection herewith.

Section 5. Reference to and Effect on Financing Documents. Each of the Loan Agreement and the other Financing Documents is and shall remain unchanged and in full force and effect, and, except as expressly set forth herein, nothing contained in this Action shall, by implication or otherwise, limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Administrative Agent or any of the other Secured Parties, or shall alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in each of the Loan Agreement and any other Financing Document. This Action shall also constitute a "Financing Document" for all purposes of the Loan Agreement and the other Financing Documents.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Section 6. Incorporation by Reference. Sections 10.5 (*Entire Agreement*), 10.6 (*Governing Law*), 10.7 (*Severability*), 10.8 (*Headings*), 10.11 (*Waiver of Jury Trial*), 10.12 (*Consent to Jurisdiction*), 10.14 (*Successors and Assigns*) and 10.16 (*Binding Effect; Counterparts*) of the Loan Agreement are hereby incorporated by reference herein, mutatis mutandis.

Section 7. Expenses. The Borrower agrees to reimburse the Administrative Agent in accordance with Section 10.4(b) of the Loan Agreement for its reasonable and documented out-of-pocket expenses in connection with this Action, including reasonable and documented fees and out-of-pocket expenses of legal counsel.

Section 8. Construction. The rules of interpretation specified in Section 1.2 of the Loan Agreement also apply to this Action, mutatis mutandis.

[*Signature Pages Follow*]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the parties hereto have caused this Action to be duly executed by their respective authorized officers as of the day and year first written above.

MEGALODON SOLAR, LLC,
as Borrower

By: /s/ Lyndon Rive
Name: Lyndon Rive
Title: President

BANK OF AMERICA, N.A.,
as a Group Agent

By: /s/ Sheikh Omer-Farooq
Name: Sheikh Omer-Farooq
Title: Managing Director

CIT BANK, N.A.,
as a Group Agent

By: /s/ Marc Theisinger
Name: Marc Theisinger
Title: Managing Director

CREDIT SUISSE AG, NEW YORK BRANCH,
as a Group Agent

By: /s/ Erin McCutcheon
Name: Erin McCutcheon
Title: Vice President

By: /s/ Oliver Nisensen
Name: Oliver Nisensen
Title: Director

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

DEUTSCHE BANK AG, NEW YORK BRANCH,
as a Group Agent

By: /s/ Vinod Mukani
Name: Vinod Mukani
Title: Director

By: /s/ Rich Mauro
Name: Rich Mauro
Title: Vice President

ING CAPITAL, LLC,
as a Group Agent

By: /s/ Erwin Thomet
Name: Erwin Thomet
Title: Managing Director

By: /s/ Thomas Cantello
Name: Thomas Cantello
Title: Director

KEYBANK NATIONAL ASSOCIATION,
as a Group Agent

By: /s/ Benjamin Cooper
Name: Benjamin Cooper
Title: Vice President

NATIONAL BANK OF ARIZONA,
as a Group Agent

By: /s/ Kate Smith
Name: Kate Smith
Title: Vice President

SILICON VALLEY BANK,
as a Group Agent

By: /s/ Sayoji Goli
Name: Sayoji Goli
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

BANK OF AMERICA, N.A.
as Administrative Agent and Collateral Agent

By: /s/ Darleen R. DiGrazia
Name: Darleen R. DiGrazia
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 1

APPENDIX 1

ADVANCE RATE

The "Advance Rate" means

(i) For a Subject Fund the following percentages:

Subject Fund	Advance Rate	Cash Sweep Fund or Non-Cash Sweep Fund
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

(ii) In respect of any Potential New Fund that becomes a Subject Fund, a percentage as shall be determined in accordance with this Appendix 1 following the completion of due diligence by the Administrative Agent, which by way of example shall be:

Advance Rate
For each Cash Sweep Fund, Non-Cash Sweep Fund and Other Structure, the Advance Rate will be the percentage determined for each System in such Subject Fund based on the "Type of Fund," in accordance with the table below.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Type of Fund			
Cash Sweep Fund (baseline: CB (see below))	[***]		
Non Cash Sweep Fund ([***] baseline)	[***]		
Other Non-Financed Structure ([***] baseline)	[***]		
Other Financed Structure	[***]		

"**CB**" or "**Cash Sweep Fund Baseline**" means, the lesser of (a) [***] and (b) the percentage obtained by dividing (i) the maximum amount of debt that can be fully supported by Net Cash Flows distributable to the Managing Member(s) of such Subject Fund assuming interest is accruing at the Default Rate when applying the ITC Downside Case to that particular Subject Fund and only that Subject Fund by (ii) the Discounted Solar Asset Balance of such Subject Fund.

"**ITC Downside Case**" means a scenario in which a 30% reduction in fair market value occurs in the first month that a Subject Fund is included in the Available Borrowing Base and the Aggregate Advance Model is adjusted to calculate the Net Cash Flows distributable to the Managing Member(s) of such Subject Fund in light of such reduction in fair market value and any applicable Cash Sweep Event (as defined in Appendix 7).

For avoidance of doubt, the amounts set forth in this clause (ii) are indicative subject to final determination by the Administrative Agent at the time such Subject Fund is included in the Available Borrowing Base;

(iii) [Reserved].

(iv) All PV Systems in any Watched Fund shall have an Advance Rate of [***] for purposes of calculating the Available Borrowing Base. For avoidance of doubt, this shall include any PV Systems in a Watched Fund that were financed in previous tranches and whose Net Cash Flows were incorporated in previous Available Borrowing Base calculations.

(v) To the extent that, despite negotiating in good faith, the Administrative Agent and the Borrower cannot agree on the Advance Rate under clause (ii) of this Appendix 1, the Advance Rate determined by the Administrative Agent, acting at the direction of the Majority Group Agents, shall prevail.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 2

APPENDIX 4

TAX EQUITY STRUCTURES, PARTNERSHIPS, LESSOR PARTNERSHIPS, LESSORS, SUBJECT FUNDS, MANAGING MEMBERS, FUNDED SUBSIDIARIES, LESSEES, CASH SWEEP DESIGNATIONS AND INVESTORS

Tax Equity Structure	Partnership / Lessor Partnership (Subject Fund)	Partnership Managing Member / Lessor Partnership Managing Member	Funded Subsidiaries (Subject Fund and Managing Member, if any)	Lessee	Full Cash-Sweep Fund, Partial Cash-Sweep Fund or Non-Cash Sweep Fund	Investor(s)
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Tax Equity Structure	Partnership / Lessor Partnership (Subject Fund)	Partnership Managing Member / Lessor Partnership Managing Member	Funded Subsidiaries (Subject Fund and Managing Member, if any)	Lessee	Full Cash-Sweep Fund, Partial Cash-Sweep Fund or Non-Cash Sweep Fund	Investor(s)
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	
***]	[***]	[***]	[***]	[***]	[***]	

Exhibit 2

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 3

APPENDIX 5

PROJECT DOCUMENTS

1. [***] Subject Fund

    - Master Lease, dated as of [***], by and between [***] and [***].
    - Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Amendment to Equity Capital Contribution Agreement, dated as of [***] (to add [***] as a Project State).
    - Operating Agreement of [***], dated as of [***], by and between [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and among [On File with Administrative Agent], [***] and [***].
    - Second Amended and Restated Limited Liability Company Agreement of [***] dated as of [***], by Megalodon Solar, LLC.
    - Pass-Through Agreement, dated as of [***], by and between [***] and [***].
    - Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent], [***] and [***].

2. [***] Subject Fund

    - Master Lease, dated as of [***], by and between [***] and [***].
    - Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Amendment to Equity Capital Contribution Agreement, dated as of [***] (to add [***] as a Project State) by and among SolarCity, [***] and [***].
    - First Amendment to Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and between [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and between [On File with Administrative Agent] and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Second Amended and Restated Limited Liability Company Agreement of [***] dated as of [***], by Megalodon Solar, LLC.

- Pass-Through Agreement, dated as of [***], by and between [***] and [***].

- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent] and [***].

3. [***] Subject Fund

    - Limited Liability Company Agreement of [***], dated as of [***], by and among [***], [On File with Administrative Agent] and [On File with Administrative Agent].

    - Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.

    - Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].

    - Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].

    - Amendment No. 1 to Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].

    - Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].

    - Guaranty, dated as of [***], by SolarCity in favor of [On File with Administrative Agent] and [On File with Administrative Agent].

    - Transition Manager Agreement, dated as of [***], by and among [***], SolarCity and [***].

4. [***] Subject Fund

    - Amended and Restated Limited Liability Company Agreement of Basking Solar I, LLC, dated as of [***], by Megalodon Solar, LLC.

    - Contribution Agreement (Systems), dated as of [***], by and among [***], [***], [***] and [***].

    - Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].

    - Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

5. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent].

6. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Amendment No. 1 to Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity Corporation and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

7. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].

8. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [***].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Capital Modification Rights Agreement, dated as of [***], by and among SolarCity, [***] and [***].
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [***] and [***].
- Guaranty, dated as of [***], from [On File with Administrative Agent] in favor of [***].
- Asset Management Agreement, dated as of [***], by and between SolarCity and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

9. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and among [***], [On File with Administrative Agent] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], by SolarCity in favor of [On File with Administrative Agent] and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity and [***].
- SREC Services Agreement, dated as of [***], by and between SolarCity and [***].

10. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

11. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].

12. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Second Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Asset Management Agreement, dated as of [***], by and between SolarCity and [***].
- Master Purchase and Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity Corporation, [***], [***] and [On File with Administrative Agent].
- Amendment Agreement, dated as of [***], by and among SolarCity Corporation, [***], [***] and [On File with Administrative Agent].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- Accession Agreement, dated as of [***], by and among SolarCity Corporation, [***] and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- SREC Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

13. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- Accession Agreement, dated as of [***], by and among [***], SolarCity Corporation and [***].
- SREC Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

14. [***] Subject Fund

- Master Lease Agreement, dated as of [***], by and between [***] and [***].
- Omnibus Amendment No. 1 and Consent, dated as of [***], by and among SolarCity Corporation, [***] and [***], as acknowledged by [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Independent Manager Agreement, dated as of [***], by and among [***],[***] and [***].
- Security Agreement, dated as of [***], by and between [***] and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Depositary Agreement, dated as of [***], by and between [***] and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- UCC-1, filed [***], designating [***], as "[***]", and [***], as "[***]".
- Each Contribution Agreement entered into by and among SolarCity Corporation, [***] and the other parties thereto.
- Each Assignment and Assumption Agreement entered into by and between [***] and [***].

15. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 10.19aa

CONFIDENTIAL TREATMENT REQUESTED

Certain portions of this document have been omitted pursuant to a request for Confidential Treatment and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The confidential material has been filed separately with the Securities and Exchange Commission.

REQUIRED GROUP AGENT ACTION NO. 28

This **REQUIRED GROUP AGENT ACTION NO. 28** (this "Action"), dated as of December 9, 2016 (the "Effective Date"), is entered into by and among Megalodon Solar, LLC, a Delaware limited liability company ("Borrower"), Bank of America, N.A., as the Administrative Agent ("Administrative Agent"), the Collateral Agent for the Secured Parties ("Collateral Agent") and each of Bank of America, N.A. ("BA Agent"), Credit Suisse AG, New York Branch (" CS Agent"), Deutsche Bank AG, New York Branch ("DB Agent"), ING Capital LLC ("ING Agent"), KeyBank National Association ("KB Agent"), National Bank of Arizona ("NBAZ Agent"), Silicon Valley Bank ("SVB Agent") and CIT Bank, N.A. ("CIT Agent" and collectively with BA Agent, CS Agent, DB Agent, ING Agent, KB Agent, NBAZ Agent and SVB Agent, the " Group Agents"), as Group Agents party to the Loan Agreement, dated as of May 4, 2015 (as amended, the "Loan Agreement"), by and among the Borrower, Administrative Agent, Collateral Agent, the Group Agents, the Lenders and the other parties from time to time party thereto. As used in this Action, capitalized terms which are not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

A. The Borrower has requested the Required Group Agents to provide their consent to the addition and inclusion to the Loan Agreement and the other Financing Documents of (the "Subject Fund Transactions") [***] ("[***]"), as a Subject Fund, and [***] ("[***]"), as a Borrower Subsidiary Party (collectively, [***] and [***], the "New Entities");

B. The Required Group Agents are willing to provide their consent to the Subject Fund Transactions on the terms and subject to the conditions set forth in this Action; and

C. The Borrower, the Required Group Agents, the Administrative Agent and the Collateral Agent desire to amend the Loan Agreement as set forth herein.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

Section 1. Amendments to the Loan Agreement. Subject to the prior satisfaction of the conditions precedent described in Section 3 hereof, the Loan Agreement will be amended as follows (clauses (a) – (d) below, collectively, the " Loan Agreement Amendments"):

(a) Schedule 1.1(b) to the Loan Agreement shall be amended by amending and restating the table therein in its entirety:

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Partnership Managing Member / Lessor Managing Member / Borrower Subsidiary (Other Non-Financed Structure)	Equity Interests Owned as of date related Partnership or Lessor Partnership becomes a Subject Fund
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

(b) Appendix 1 of the Loan Agreement shall be amended and restated as set forth in Exhibit 1 attached hereto;

(c) Appendix 4 of the Loan Agreement shall be amended and restated as set forth in Exhibit 2 attached hereto; and

(d) Appendix 5 of the Loan Agreement shall be amended and restated as set forth in Exhibit 3 attached hereto.

Section 2. Acknowledgements and Consents. Subject to the prior satisfaction of the conditions precedent described in Section 3 hereof:

(a) the Required Group Agents consent to the Loan Agreement Amendments, with acknowledgement by each of the Administrative Agent and the Collateral Agent;

(b) the Administrative Agent and the Required Group Agents consent to the Subject Fund Transactions pursuant to and in accordance with Section 2.10(a) of the Loan Agreement; and

(c) the Administrative Agent and the Required Group Agents acknowledge and agree that (i) that certain tax insurance policy, effective as of July 1, 2016 naming [***] as named insured (the "Existing Tax Loss Policy"), satisfies the requirements of Section 11.11(b)(iv) of the Loan Agreement and (ii) pursuant to Section 11.11(b) of the Loan Agreement, no Tax Loss Policy is required for [***] so long as the Existing Tax Loss Policy remains in full force and effect.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Section 3. Conditions Precedent. This Action shall be effective upon the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received counterparts of this Action, executed and delivered by each of the other parties hereto.

(b) The Administrative Agent shall have received a certificate of the Borrower dated as of the Effective Date signed by a Responsible Officer of the Borrower (i) making the Tax Equity Representations with respect to the [***] and (ii) certifying that each representation and warranty of the Borrower contained in Article 4 of the Loan Agreement is true and correct in all material respects as of the Effective Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date) other than those representations and warranties that are modified by materiality by their own terms, which shall be true and correct in all respects as of the Effective Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all respects as of such earlier date).

(c) The Borrower shall have delivered or caused to be delivered to the Administrative Agent a Tax Equity Required Consent from [***] in connection with the Subject Fund Transactions.

(d) Each of the Administrative Agent and each Group Agent shall have received an opinion, dated no earlier than the Effective Date, of Wilson Sonsini Goodrich & Rosati, counsel to the Loan Parties, the Borrower Subsidiary Parties and SolarCity, in form and substance reasonably acceptable to the Administrative Agent, the Collateral Agent and the Majority Group Agents, with respect to the Subject Fund Transactions.

(e) Each of the Administrative Agent and each Group Agent shall have received opinions, dated no earlier than the Effective Date, of Proskauer Rose LLP, special bankruptcy counsel to the Loan Parties, the Borrower Subsidiary Parties and SolarCity, each in form and substance reasonably acceptable to the Administrative Agent, the Collateral Agent and the Majority Group Agents, with respect to the Subject Fund Transactions.

(f) The Administrative Agent and the Collateral Agent shall have received (i) searches of UCC filings in the jurisdiction of incorporation or formation, as applicable, of each of the New Entities and the Borrower and each jurisdiction where a filing would need to be made in order to perfect the security interest of the Collateral Agent (for the benefit of the Secured Parties) in the Collateral in respect of the New Entities (the "New Collateral"), (ii) copies of the financing statements on file in such jurisdictions and evidence that no liens exist on the New Collateral pledged by [***] and the Borrower other than Permitted Liens of the type set forth in clauses (b), (c) or (d) of the definition thereof and (iii) copies of tax lien, judgment and bankruptcy searches in such jurisdictions.

(g) The Collateral Agent shall have received all documentation in connection with the New Collateral, including (i) a Joinder Agreement in the form attached as Exhibit C to the Security Agreement, executed by each of [***], the Collateral Agent and the Borrower, dated as of the Effective Date, (ii) a Joinder Agreement in the form attached as Exhibit B-1 to the CADA, executed by each of [***], the Collateral Agent and the Borrower, dated as of the Effective Date, (iii) a Joinder Agreement in the form attached as Exhibit C to the Borrower Subsidiary Party Security Agreement, executed by each of [***] and the Collateral Agent, dated

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

as of the Effective Date and (iv) any other data, documentation, analysis or report reasonably requested by the Administrative Agent with respect to the New Entities.

(h) (i) The UCC financing statements relating to the New Collateral shall have been duly filed in each office and in each jurisdiction where required in order to create and perfect the first priority Lien and security interest set forth in the Collateral Documents (as supplemented and as such term is defined in the Loan Agreement, as amended) and (ii) the Borrower shall have properly delivered or caused to be delivered to the Collateral Agent all New Collateral in which the Lien and security interest described above is permitted to be perfected by possession or control, including delivery of original certificates representing all issued and outstanding Equity Interests in [***] and the pledged interests in [***] pursuant to the Borrower Subsidiary Party Security Agreement, along with the applicable blank transfer powers and proxies.

(i) Each of the other conditions precedent as set forth in Section 3.4 of the Loan Agreement shall have been satisfied with respect to the Subject Fund Transactions.

(j) The Administrative Agent shall have received (i) for its own account all costs and expenses described in Section 6 of this Action, for which invoices have been presented in connection herewith and (ii) for the account of the Group Agent of each Committed Lender entitled thereto a fee as set forth below:

Lender	**Amount**
Bank of America, N.A.	[***]
Credit Suisse AG, New York Branch	[***]
Deutsche Bank AG, New York Branch	[***]
ING Capital LLC	[***]
KeyBank National Association	[***]
National Bank of Arizona	[***]
Silicon Valley Bank	[***]
CIT Bank, N.A.	[***]
Total	[***]

Section 4. Reference to and Effect on Financing Documents. Each of the Loan Agreement and the other Financing Documents is and shall remain unchanged and in full force and effect, and, except as expressly set forth herein, nothing contained in this Action shall, by implication or otherwise, limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Administrative Agent or any of the other Secured Parties, or shall alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in each of the Loan Agreement and any other Financing Document. This Action shall also constitute a "Financing Document" for all purposes of the Loan Agreement and the other Financing Documents.

Section 5. Incorporation by Reference. Sections 10.5 (*Entire Agreement*), 10.6 (*Governing Law*), 10.7 (*Severability*), 10.8 (*Headings*), 10.11 (*Waiver of Jury Trial*), 10.12 (*Consent to Jurisdiction*), 10.14 (*Successors and Assigns*) and 10.16 (*Binding Effect; Counterparts*) of the Loan Agreement are hereby incorporated by reference herein, mutatis mutandis.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Section 6. Expenses. The Borrower agrees to reimburse the Administrative Agent in accordance with Section 10.4(b) of the Loan Agreement for its reasonable and documented out-of-pocket expenses in connection with this Action, including reasonable and documented fees and out-of-pocket expenses of legal counsel.

Section 7. Construction. The rules of interpretation specified in Section 1.2 of the Loan Agreement also apply to this Action, mutatis mutandis.

[*Signature Pages Follow*]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the parties hereto have caused this Action to be duly executed by their respective authorized officers as of the day and year first written above.

MEGALODON SOLAR, LLC,
as Borrower

By: /s/ Lyndon Rive
Name: Lyndon Rive
Title: President

BANK OF AMERICA, N.A.,
as a Group Agent

By: /s/ Sheikh Omer-Farooq
Name: Sheikh Omer-Farooq
Title: Managing Director

CIT BANK, N.A.,
as a Group Agent

By: /s/ Rhys Marsh
Name: Rhys Marsh
Title: Managing Director

CREDIT SUISSE AG, NEW YORK BRANCH,
as a Group Agent

By: /s/ Jason Muncy
Name: Jason Muncy
Title: Vice President

By: /s/ Chris Fera
Name: Chris Fera
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

DEUTSCHE BANK AG, NEW YORK BRANCH,
as a Group Agent

By: /s/ Vinod Mukani
Name: Vinod Mukani
Title: Director

By: /s/ Rich Mauro
Name: Rich Mauro
Title: Vice President

ING CAPITAL, LLC,
as a Group Agent

By: /s/ Erwin Thomet
Name: Erwin Thomet
Title: Managing Director

By: /s/ Thomas Cantello
Name: Thomas Cantello
Title: Director

KEYBANK NATIONAL ASSOCIATION,
as a Group Agent

By: /s/ Benjamin Cooper
Name: Benjamin Cooper
Title: Vice President

NATIONAL BANK OF ARIZONA,
as a Group Agent

By: /s/ Kate Smith
Name: Kate Smith
Title: Vice President

SILICON VALLEY BANK,
as a Group Agent

By: /s/ Sayoji Goli
Name: Sayoji Goli
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

BANK OF AMERICA, N.A.
as Administrative Agent and Collateral Agent

By: /s/ Darleen R. DiGrazia
Name: Darleen R. DiGrazia
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 1

APPENDIX 1

ADVANCE RATE

The "Advance Rate" means

(i) For a Subject Fund the following percentages:

Subject Fund	Advance Rate	Cash Sweep Fund or Non-Cash Sweep Fund
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

(ii) In respect of any Potential New Fund that becomes a Subject Fund, a percentage as shall be determined in accordance with this Appendix 1 following the completion of due diligence by the Administrative Agent, which by way of example shall be:

Advance Rate

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

For each Cash Sweep Fund, Non-Cash Sweep Fund and Other Structure, the Advance Rate will be the percentage determined for each System in such Subject Fund based on the "Type of Fund," in accordance with the table below.

Type of Fund			
Cash Sweep Fund (baseline: CB (see below))	[***]		
Non Cash Sweep Fund ([***] baseline)	[***]		
Other Non-Financed Structure ([***] baseline)	[***]		
Other Financed Structure	[***]		

"**CB**" or "**Cash Sweep Fund Baseline**" means, the lesser of (a) [***] and (b) the percentage obtained by dividing (i) the maximum amount of debt that can be fully supported by Net Cash Flows distributable to the Managing Member(s) of such Subject Fund assuming interest is accruing at the Default Rate when applying the ITC Downside Case to that particular Subject Fund and only that Subject Fund by (ii) the Discounted Solar Asset Balance of such Subject Fund.

"**ITC Downside Case**" means a scenario in which a 30% reduction in fair market value occurs in the first month that a Subject Fund is included in the Available Borrowing Base and the Aggregate Advance Model is adjusted to calculate the Net Cash Flows distributable to the Managing Member(s) of such Subject Fund in light of such reduction in fair market value and any applicable Cash Sweep Event (as defined in Appendix 7).

For avoidance of doubt, the amounts set forth in this clause (ii) are indicative subject to final determination by the Administrative Agent at the time such Subject Fund is included in the Available Borrowing Base;

(iii) [Reserved].

(iv) All PV Systems in any Watched Fund shall have an Advance Rate of [***] for purposes of calculating the Available Borrowing Base. For avoidance of doubt, this shall include any PV Systems in a Watched Fund that were financed in previous tranches and whose Net Cash Flows were incorporated in previous Available Borrowing Base calculations.

(v) To the extent that, despite negotiating in good faith, the Administrative Agent and the Borrower cannot agree on the Advance Rate under clause (ii) of this Appendix 1, the Advance Rate determined by the Administrative Agent, acting at the direction of the Majority Group Agents, shall prevail.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 2

APPENDIX 4

TAX EQUITY STRUCTURES, PARTNERSHIPS, LESSOR PARTNERSHIPS, LESSORS, SUBJECT FUNDS, MANAGING MEMBERS, FUNDED SUBSIDIARIES, LESSEES, CASH SWEEP DESIGNATIONS AND INVESTORS

Tax Equity Structure	Partnership / Lessor Partnership (Subject Fund)	Partnership Managing Member / Lessor Partnership Managing Member	Funded Subsidiaries (Subject Fund and Managing Member, if any)	Lessee	Full Cash-Sweep Fund, Partial Cash-Sweep Fund or Non-Cash Sweep Fund	Investor(s)
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Tax Equity Structure	Partnership / Lessor Partnership (Subject Fund)	Partnership Managing Member / Lessor Partnership Managing Member	Funded Subsidiaries (Subject Fund and Managing Member, if any)	Lessee	Full Cash-Sweep Fund, Partial Cash-Sweep Fund or Non-Cash Sweep Fund	Investor(s)
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]

Exhibit 2

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 3

APPENDIX 5

PROJECT DOCUMENTS

1. [***] Subject Fund

    - Master Lease, dated as of [***], by and between [***] and [***].
    - Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Amendment to Equity Capital Contribution Agreement, dated as of [***] (to add [***] as a Project State).
    - Operating Agreement of [***], dated as of [***], by and between [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and among [On File with Administrative Agent], [***] and [***].
    - Second Amended and Restated Limited Liability Company Agreement of [***] dated as of [***], by Megalodon Solar, LLC.
    - Pass-Through Agreement, dated as of [***], by and between [***] and [***].
    - Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent], [***] and [***].

2. [***] Subject Fund

    - Master Lease, dated as of [***], by and between [***] and [***].
    - Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Amendment to Equity Capital Contribution Agreement, dated as of [***] (to add [***] as a Project State) by and among SolarCity, [***] and [***].
    - First Amendment to Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and between [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and between [On File with Administrative Agent] and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Second Amended and Restated Limited Liability Company Agreement of [***] dated as of [***], by Megalodon Solar, LLC.

- Pass-Through Agreement, dated as of [***], by and between [***] and [***].

- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent] and [***].

3. [***] Subject Fund

    - Limited Liability Company Agreement of [***], dated as of [***], by and among [***], [On File with Administrative Agent] and [On File with Administrative Agent].

    - Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.

    - Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].

    - Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].

    - Amendment No. 1 to Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].

    - Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].

    - Guaranty, dated as of [***], by SolarCity in favor of [On File with Administrative Agent] and [On File with Administrative Agent].

    - Transition Manager Agreement, dated as of [***], by and among [***], SolarCity and [***].

4. [***] Subject Fund

    - Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.

    - Contribution Agreement (Systems), dated as of [***], by and among [***], [***], Megalodon Solar, LLC and [***].

    - Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].

    - Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

5. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent].

6. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Amendment No. 1 to Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity Corporation and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

7. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].

8. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [***].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Capital Modification Rights Agreement, dated as of [***], by and among SolarCity, [***] and [***].
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [***] and [***].
- Guaranty, dated as of [***], from [On File with Administrative Agent] in favor of [***].
- Asset Management Agreement, dated as of [***], by and between SolarCity and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

9. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and among [***], [On File with Administrative Agent] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], by SolarCity in favor of [On File with Administrative Agent] and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity and [***].
- SREC Services Agreement, dated as of [***], by and between SolarCity and [***].

10. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

11. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].

12. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Second Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Asset Management Agreement, dated as of [***], by and between SolarCity and [***].
- Master Purchase and Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity Corporation, [***], [***] and [On File with Administrative Agent].
- Amendment Agreement, dated as of [***], by and among SolarCity Corporation, [***], [***] and [On File with Administrative Agent].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- Accession Agreement, dated as of [***], by and among SolarCity Corporation, [***] and U.S. Bank National Association.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- SREC Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

13. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- Accession Agreement, dated as of [***], by and among [***], SolarCity Corporation and [***].
- SREC Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

14. [***] Subject Fund

- Master Lease Agreement, dated as of [***], by and between [***] and [***].
- Omnibus Amendment No. 1 and Consent, dated as of [***], by and among SolarCity Corporation, [***] and [***], as acknowledged by [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Independent Manager Agreement, dated as of [***], by and among [***], [***] and [***].
- Security Agreement, dated as of [***], by and between [***] and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Depositary Agreement, dated as of [***], by and between [***] and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- UCC-1, filed [***], designating [***], as "[***]", and [***], as "[***]".
- Each Contribution Agreement entered into by and among SolarCity Corporation, [***] and the other parties thereto.
- Each Assignment and Assumption Agreement entered into by and between [***] and [***].

15. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity and [***].

16. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [***] and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity Corporation, [On File with Administrative Agent] and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 10.19bb

CONFIDENTIAL TREATMENT REQUESTED

Certain portions of this document have been omitted pursuant to a request for Confidential Treatment and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The confidential material has been filed separately with the Securities and Exchange Commission.

REQUIRED GROUP AGENT ACTION NO. 29

This **REQUIRED GROUP AGENT ACTION NO. 29** (this "Action"), dated as of December 16, 2016, is entered into by and among Megalodon Solar, LLC, a Delaware limited liability company ("Borrower"), Bank of America, N.A., as the Administrative Agent ("Administrative Agent") and as the Collateral Agent for the Secured Parties ("Collateral Agent") and each of Bank of America, N.A. ("BA Agent"), Credit Suisse AG, New York Branch (" CS Agent"), Deutsche Bank AG, New York Branch ("DB Agent"), ING Capital LLC ("ING Agent"), KeyBank National Association ("KB Agent"), National Bank of Arizona ("NBAZ Agent"), Silicon Valley Bank ("SVB Agent") and CIT Bank, N.A. ("CIT Agent" and collectively with BA Agent, CS Agent, DB Agent, ING Agent, KB Agent, NBAZ Agent and SVB Agent, the " Group Agents"), as Group Agents party to the Loan Agreement, dated as of May 4, 2015 (as amended, the "Loan Agreement"), by and among the Borrower, the Administrative Agent, the Collateral Agent, the Group Agents, the Lenders and the other parties from time to time party thereto. As used in this Action, capitalized terms which are not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

A. Pursuant to the Loan Agreement, the Lenders have agreed to extend credit to the Borrower, in each case pursuant to the terms and subject to the conditions set forth in the Financing Documents.

B. Pursuant to Section 9.14(a) of the Loan Agreement, the Borrower has requested that the Group Agents provide their consent to the release and removal in accordance with Section 2.10(b) of the Loan Agreement of (i) the [***] Subject Fund, (ii) the [***] Subject Fund and (iii) the [***] Subject Fund (collectively, the "Released Subject Funds").

C. The Lenders are willing to provide their consent to the release and removal of the Released Subject Funds and the Collateral with respect thereto (collectively, the "Applicable Transactions") on the terms and subject to the conditions set forth in this Action.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

Section 1. Consent. Subject to the satisfaction of the Consent Requirements (as defined in Section 3 of this Action), each Agent and Lender party hereto, by its signature below, (i) consents to the Applicable Transactions and (ii) directs the Collateral Agent to execute and deliver each document contemplated to be delivered by the Collateral Agent pursuant to Section 2 of this Action and to otherwise carry out the terms and provisions of this Action.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Section 2. Release; Covenants. Upon satisfaction of the Consent Requirements, without any further action by any party:

(a) the security interest granted to the Collateral Agent by the Borrower in the Security Agreement with respect to the Equity Interests (and any other rights as specified in Section 3 thereof and together with the Equity Interests, the "Released Borrower Collateral") of each of [***], [***] and [***] (the "Released Subsidiary Parties") shall automatically terminate and be released, all rights to the Released Borrower Collateral shall revert to the Borrower, and the Collateral Agent shall promptly deliver or cause to be delivered to the Borrower all Released Borrower Collateral, including original certificates representing all issued and outstanding Equity Interests of the Released Subsidiary Parties along with related blank transfer powers and irrevocable proxies, as applicable;

(b) the security interest granted to the Collateral Agent by each of the Released Subsidiary Parties in the Borrower Subsidiary Party Security Agreement with respect to the Equity Interests (and any other rights as specified in Section 3 thereof and together with the Equity Interests, the "Released Grantor Party Collateral", and together with the Released Borrower Collateral, the "Released Subsidiary Party Collateral") shall automatically terminate and be released, all rights to the Released Grantor Party Collateral shall revert to each of the Released Subsidiary Parties, and the Collateral Agent shall promptly deliver or cause to be delivered to each of the Released Subsidiary Parties all Released Grantor Party Collateral, including original certificates representing all issued and outstanding Equity Interests of each Released Subsidiary Party in the applicable Released Subject Funds along with related blank transfer powers and irrevocable proxies, as applicable;

(c) the Collateral Agent authorizes the Borrower or any other party on behalf of the Borrower, to file UCC financing statement amendments relating to the Released Subsidiary Party Collateral in the form attached hereto as Annex 5 and to prepare and file any additional financing statement amendments and other instruments and documents in form and substance reasonably satisfactory to the Collateral Agent evidencing the consummation of the Applicable Transactions;

(d) the signature pages of the Collateral Agent and Administrative Agent to the Termination Agreement attached hereto as Appendix 1, which terminates the Security Agreement with respect to each Released Subsidiary Party, shall be automatically released;

(e) the signature pages of the Collateral Agent and the Administrative Agent to the Termination Agreement attached hereto as Appendix 2, which terminates the CADA with respect to each Released Subsidiary Party, shall be automatically released;

(f) the signature pages of the Collateral Agent and the Administrative Agent to the Termination Agreement attached hereto as Appendix 3, which terminates the Borrower Subsidiary Party Security Agreement with respect to each Released Subsidiary Party, shall be automatically released;

(g) Schedule 1.1(b) to the Loan Agreement shall be amended by amending and restating the table therein in its entirety:

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Partnership Managing Member / Lessor Managing Member / Borrower Subsidiary (Other Non-Financed Structure)	Equity Interests Owned as of date related Partnership or Lessor Partnership becomes a Subject Fund
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

(h) Appendix 1 to the Loan Agreement shall be amended by amending and restating clause (i) of the definition of "Advance Rate" as follows:

"(i) For a Subject Fund the following percentages:

Subject Fund	**Advance Rate**	**Cash Sweep Fund or Non-Cash Sweep Fund**
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

[***]	[***]	[***]

";

(i) Appendix 4 to the Loan Agreement shall be replaced with a revised Appendix 4 to the Loan Agreement in the form attached hereto as Annex 1;

(j) Appendix 5 to the Loan Agreement shall be replaced with a revised Appendix 5 to the Loan Agreement in the form attached hereto as Annex 2; and

(k) the Collateral Agent shall, at the sole cost and expense of the Borrower, procure, deliver or execute and deliver to the Borrower, from time to time, all further releases, termination statements, financing statement amendments, certificates, instruments and documents, each in form and substance satisfactory to the Borrower and the Collateral Agent, and take any other actions, as reasonably requested by the Borrower or that are required to evidence the consummation of the Applicable Transactions, including, for the avoidance of doubt, the execution of the "Notice of Change of Loss Payee" with respect to the (i) the Tax Loss Policy of the [***] Subject Fund, (ii) the Tax Loss Policy of the [***] Subject Fund and (iii) the Tax Loss Policy of the [***] Subject Fund.

Section 3. Effectiveness. This Action shall become effective on the date (the "Effective Date") on which the following conditions (collectively, the "Consent Requirements") are satisfied:

(a) the Borrower has paid or has caused to be paid to the Administrative Agent the following (collectively, the "Release Payment") at or before 2:00 p.m. (Eastern Time) on December 16, 2016 (the "Payment Time") to the account set forth in Annex 3 hereto:

(i) prepayment of $[***] of the outstanding principal amount of the Loans as of the Payment Time, to be allocated among the Lenders by the Administrative Agent as set forth in Annex 4 hereto; and

(ii) payment of $[***] of the outstanding interest accrued as of the Payment Time with respect to the principal amount described in clause (i) above;

(b) the Administrative Agent shall have received counterparts of this Action, duly executed and delivered by the Borrower and each Group Agent;

(c) the Borrower shall have delivered a duly completed Borrowing Base Certificate to the Administrative Agent; and

(d) all representations and warranties of the Borrower in Section 4 of this Action and all representations and warranties of the Borrower in the Borrowing Base Certificate delivered pursuant to Section 3(c) of this Action shall be true and correct in all material respects as of the Effective Date, other than those representations and warranties that are modified by materiality by their own terms, which shall be true and correct in all respects as of the Effective Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date).

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Notwithstanding any failure or inability of the Borrower to satisfy any of the foregoing conditions set forth in Sections 3(c) or (d) of this Action, upon the satisfaction of the conditions set forth in Sections 3(a) and (b) of this Action, (i) all right, title and interest of the Collateral Agent and the Secured Parties in and to the Released Subsidiary Party Collateral shall transfer to and vest in Borrower and any assignee of Borrower without any further action required and (ii) none of the Released Subsidiary Party Collateral shall be "Collateral" under or for purposes of the Loan Agreement or any other Financing Document; provided that the Agents shall be entitled to assert claims against the Borrower as a result of any breach by the Borrower of any of representations, warranties, covenants or statements made by the Borrower in this Action.

Section 4. Representations and Warranties. The Borrower hereby represents and warrants as of the Effective Date:

(a) the Borrower has duly authorized, executed and delivered this Action, and none the Borrower's execution and delivery hereof nor the performance hereof or the consummation of the Applicable Transactions (i) will be in conflict with or result in a breach of the Borrower's Organizational Documents, (ii) will materially violate any other Legal Requirement applicable to or binding on the Borrower or any of its respective properties, (iii) will result in any breach of or constitute any default under, or result in or require the creation of any Lien (other than Permitted Liens) upon any of the Collateral under any agreement or instrument to which it is a party or by which the Borrower or any of the Collateral may be bound or affected, or (iv) will require the consent or approval of any Person, which has not already been obtained;

(b) this Action is a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally and subject to general equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law);

(c) no Default or Event of Default has occurred and is continuing or will result from the Release Payment or the consummation of the Applicable Transactions;

(d) no Bankruptcy Event has occurred with respect to SolarCity;

(e) no Material Adverse Effect has occurred or is continuing since the immediately preceding Borrowing Date, and, to the Borrower's Knowledge, no event or circumstance exists that could reasonably be expected to result in a Material Adverse Effect; and

(f) after giving effect to the Applicable Transactions and the Release Payment, the Borrower is in compliance with the Borrowing Base Requirements.

Section 5. Reference to and Effect on Financing Documents. Each of the Loan Agreement and the other Financing Documents is and shall remain unchanged and in full force and effect, and, except as expressly set forth herein, nothing contained in this Action shall, by implication or otherwise, limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Administrative Agent or any of the other Secured Parties, or shall alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements

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contained in each of the Loan Agreement and any other Financing Document. This Action shall also constitute a "Financing Document" for all purposes of the Loan Agreement and the other Financing Documents.

Section 6. Incorporation by Reference. Sections 10.5 (*Entire Agreement*), 10.6 (*Governing Law*), 10.7 (*Severability*), 10.8 (*Headings*), 10.11 (*Waiver of Jury Trial*), 10.12 (*Consent to Jurisdiction; Service of Process*), 10.14 (*Successors and Assigns*) and 10.16 (*Binding Effect; Counterparts*) of the Loan Agreement are hereby incorporated by reference herein, mutatis mutandis.

Section 7. Expenses. The Borrower agrees to reimburse the Administrative Agent in accordance with Section 10.4(b) of the Loan Agreement for its reasonable and documented out-of-pocket expenses in connection with this Action, including reasonable and documented fees and out-of-pocket expenses of legal counsel.

Section 8. Construction. The rules of interpretation specified in Section 1.2 of the Loan Agreement also apply to this Action, mutatis mutandis.

[*Signature Pages Follow*]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the parties hereto have caused this Action to be duly executed by their respective authorized officers as of the day and year first written above.

MEGALODON SOLAR, LLC,
as Borrower

By: /s/ Lyndon Rive
Name: Lyndon Rive
Title: President

BANK OF AMERICA, N.A.,
as a Group Agent

By: /s/ Sheikh Omer-Farooq
Name: Sheikh Omer-Farooq
Title: Managing Director

CIT BANK, N.A.,
as a Group Agent

By: /s/ Rhys Marsh
Name: Rhys Marsh
Title: Managing Director

CREDIT SUISSE AG, NEW YORK BRANCH,
as a Group Agent

By: /s/ Erin McCutcheon
Name: Erin McCutcheon
Title: Vice President

By: /s/ Jason Muncy
Name: Jason Muncy
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

DEUTSCHE BANK AG, NEW YORK BRANCH,
as a Group Agent

By: /s/ Rich Mauro
Name: Rich Mauro
Title: Vice President

By: /s/ Daniel Fuchs
Name: Daniel Fuchs
Title: Director

ING CAPITAL, LLC,
as a Group Agent

By: /s/ Mark Parrish
Name: Mark Parrish
Title: Vice President

By: /s/ Erwin Thomet
Name: Erwin Thomet
Title: Managing Director

KEYBANK NATIONAL ASSOCIATION,
as a Group Agent

By: /s/ Benjamin Cooper
Name: Benjamin Cooper
Title: Vice President

NATIONAL BANK OF ARIZONA,
as a Group Agent

By: /s/ Kate Smith
Name: Kate Smith
Title: Vice President

SILICON VALLEY BANK,
as a Group Agent

By: /s/ Sayoji Goli
Name: Sayoji Goli
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

BANK OF AMERICA, N.A.
as Administrative Agent and Collateral Agent

By: /s/ Darleen R. DiGrazia
Name: Darleen R. DiGrazia
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

ANNEX 1

APPENDIX 4

TAX EQUITY STRUCTURES, PARTNERSHIPS, LESSOR PARTNERSHIPS, LESSORS, SUBJECT FUNDS, MANAGING MEMBERS, FUNDED SUBSIDIARIES, LESSEES, CASH SWEEP DESIGNATIONS AND INVESTORS

Tax Equity Structure	Partnership / Lessor Partnership (Subject Fund)	Partnership Managing Member / Lessor Partnership Managing Member	Funded Subsidiaries (Subject Fund and Managing Member, if any)	Lessee	Full Cash-Sweep Fund, Partial Cash-Sweep Fund or Non-Cash Sweep Fund	Investor(s)
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Tax Equity Structure	Partnership / Lessor Partnership (Subject Fund)	Partnership Managing Member / Lessor Partnership Managing Member	Funded Subsidiaries (Subject Fund and Managing Member, if any)	Lessee	Full Cash-Sweep Fund, Partial Cash-Sweep Fund or Non-Cash Sweep Fund	Investor(s)
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]

Annex 1

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

ANNEX 2

APPENDIX 5
PROJECT DOCUMENTS

1. [***] Subject Fund

    - Master Lease, dated as of [***], by and between [***] and [***].
    - Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Amendment to Equity Capital Contribution Agreement, dated as of [***] (to add[***]as a Project State).
    - Operating Agreement of [***], dated as of [***], by and between [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and among [On File with Administrative Agent], [***] and [***].
    - Second Amended and Restated Limited Liability Company Agreement of [***] dated as of [***], by Megalodon Solar, LLC.
    - Pass-Through Agreement, dated as of [***], by and between [***] and Louis Solar Master Tenant I, LLC.
    - Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent], [***] and [***].

2. [***] Subject Fund

    - Master Lease, dated as of [***], by and between [***] and Mound Solar Master Tenant IX, LLC.
    - Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Amendment to Equity Capital Contribution Agreement, dated as of [***] (to add [***] as a Project State) by and among SolarCity, [***] and [***].
    - First Amendment to Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and between [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and between [On File with Administrative Agent] and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Second Amended and Restated Limited Liability Company Agreement of [***] dated as of [***], by Megalodon Solar, LLC.
- Pass-Through Agreement, dated as of [***], by and between [***] and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent] and [***].

3. [***] Subject Fund

- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Contribution Agreement (Systems), dated as of [***], by and among [***], [***], Megalodon Solar, LLC and [***].
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].

4. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

5. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Amendment No. 1 to Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity Corporation and [***].

6. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].

7. [***] Subject Fund

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent].

8. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].

9. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Second Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Asset Management Agreement, dated as of [***], by and between SolarCity and [***].
- Master Purchase and Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity Corporation, [***], [***]and [On File with Administrative Agent].
- Amendment Agreement, dated as of [***], by and among SolarCity Corporation, [***], [***] and [On File with Administrative Agent].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- Accession Agreement, dated as of [***], by and among SolarCity Corporation, [***] and [***].
- SREC Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

10. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of Castello Solar III, LLC, dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***]June 15, 2016, by and between SolarCity Corporation and [***]Castello Solar III, LLC.
- Administrative Services Agreement, dated as of [***]June 15, 2016, by and between SolarCity Corporation and [***]Castello Solar III, LLC.
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- Accession Agreement, dated as of [***], by and among [***], SolarCity Corporation and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- SREC Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

11. [***] Subject Fund

- Master Lease Agreement, dated as of [***], by and between [***] and [***].
- Omnibus Amendment No. 1 and Consent, dated as of [***], by and among SolarCity Corporation, [***] and [***], as acknowledged by [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Independent Manager Agreement, dated as of [***], by and among [***], [***] and [***].
- Security Agreement, dated as of [***], by and between [***] and [***].
- Depositary Agreement, dated as of [***], by and between [***] and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- UCC-1, filed [***], designating [***], as "[***]", and [***], as "[***]".
- Each Contribution Agreement entered into by and among SolarCity Corporation, [***] and the other parties thereto.
- Each Assignment and Assumption Agreement entered into by and between [***] and [***].

12. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].

- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].

- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity and [***].

13. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].

- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.

- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].

- Guaranty, dated as of [***], by SolarCity Corporation in favor of [***] and [On File with Administrative Agent].

- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity Corporation, [On File with Administrative Agent] and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

ANNEX 3

Account Information

Pay to:	[***]
Bank	[***]
ABA No.	[***]
Account No.	[***]
Account Name	[***]
Ref.	[***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

ANNEX 4

SCHEDULE OF PRINCIPAL PREPAYMENT ALLOCATIONS

Lender	*Share of Prepayment*
Bank of America, N.A.	$ [***]
Credit Suisse AG, Cayman Islands Branch	$ [***]
ING Capital LLC	$ [***]
Deutsche Bank AG, New York Branch	$ [***]
KeyBank National Association	$ [***]
National Bank of Arizona	$ [***]
Silicon Valley Bank	$ [***]
CIT Bank, N.A.	$ [***]
Total	$ [***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

ANNEX 5

UCC-3 TERMINATION STATEMENTS

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER
2015 1895373 filed 5/4/2015

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. ☐ ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☐ PARTY INFORMATION CHANGE:
Check one of these two boxes: This Change affects ☐ Debtor or ☐ Secured Party of record
AND Check one of these three boxes to: ☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c ☐ ADD name: Complete item 7a or 7b, and item 7c ☐ DELETE name: Give record name to be deleted in item 6a or 6b

6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

8. ☒ COLLATERAL CHANGE: Also check one of these four boxes: ☐ ADD collateral ☒ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral

Indicate collateral:
The Equity Interests of (i) Solar Integrated Manager IV-A, LLC, (ii) Caballero Solar Managing Member I, LLC and (iii) Caballero Solar Managing Member II, LLC, each as described as the "Released Subsidiary Party Collateral" under and as defined in Required Group Agent Action No. 29, dated on or about December 16, 2016, by and among Debtor, Secured Party, and the other parties thereto.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME
Bank of America, N.A., as Collateral Agent

OR

9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:
Delaware-SOS Debtor: Megalodon Solar, LLC #15475355-29

International Association of Commercial Administrators (IACA)

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (Form UCC3) (Rev. 04/20/11)

Annex 5

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER
2016 1902897 filed 3/31/2016

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☒ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. ☐ ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☐ PARTY INFORMATION CHANGE:
Check one of these two boxes:
This Change affects ☐ Debtor or ☐ Secured Party of record
AND Check one of these three boxes to:
☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c
☐ ADD name: Complete item 7a or 7b, and item 7c
☐ DELETE name: Give record name to be deleted in item 6a or 6b

6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

8. ☐ COLLATERAL CHANGE: Also check one of these four boxes: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral
Indicate collateral:

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME
Bank of America, N.A., as Collateral Agent

OR

9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:
Delaware-SOS Debtor: Solar Integrated Manager IV-A, LLC #15475355-30

International Association of Commercial Administrators (IACA)

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (Form UCC3) (Rev. 04/20/11)

Annex 5

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER
2015 2794484 filed 6/29/2015

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☒ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. ☐ ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☐ PARTY INFORMATION CHANGE:
Check one of these two boxes: This Change affects ☐ Debtor or ☐ Secured Party of record
AND Check one of these three boxes to: ☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c ☐ ADD name: Complete item 7a or 7b, and item 7c ☐ DELETE name: Give record name to be deleted in item 6a or 6b

6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

8. ☐ COLLATERAL CHANGE: Also check one of these four boxes: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral
Indicate collateral:

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME
Bank of America, N.A., as Collateral Agent

OR

9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:
Delaware-SOS Debtor: Caballero Solar Managing Member I, LLC #15475355-31

International Association of Commercial Administrators (IACA)

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (Form UCC3) (Rev. 04/20/11)

Annex 5

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER
2016 2449708 filed 4/25/2016

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2. ☒ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. ☐ ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. ☐ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. ☐ PARTY INFORMATION CHANGE:
Check one of these two boxes:
This Change affects ☐ Debtor or ☐ Secured Party of record
AND Check one of these three boxes to:
☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c
☐ ADD name: Complete item 7a or 7b, and item 7c
☐ DELETE name: Give record name to be deleted in item 6a or 6b

6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

8. ☐ COLLATERAL CHANGE: Also check one of these four boxes: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN collateral
Indicate collateral:

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME
Bank of America, N.A., as Collateral Agent

OR

9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:
Delaware-SOS Debtor: Caballero Solar Managing Member II, LLC #15475355-32

International Association of Commercial Administrators (IACA)

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (Form UCC3) (Rev. 04/20/11)

Annex 5

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 10.19cc

CONFIDENTIAL TREATMENT REQUESTED

Certain portions of this document have been omitted pursuant to a request for Confidential Treatment and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The confidential material has been filed separately with the Securities and Exchange Commission.

REQUIRED GROUP AGENT ACTION NO. 30

This **REQUIRED GROUP AGENT ACTION NO. 30** (this "Action"), dated as of December 28, 2016 (the "Effective Date"), is entered into by and among Megalodon Solar, LLC, a Delaware limited liability company ("Borrower"), Bank of America, N.A., as the Administrative Agent ("Administrative Agent"), the Collateral Agent for the Secured Parties ("Collateral Agent") and each of Bank of America, N.A. ("BA Agent"), Credit Suisse AG, New York Branch (" CS Agent"), Deutsche Bank AG, New York Branch ("DB Agent"), ING Capital LLC ("ING Agent"), KeyBank National Association ("KB Agent"), National Bank of Arizona ("NBAZ Agent"), Silicon Valley Bank ("SVB Agent") and CIT Bank, N.A. ("CIT Agent" and collectively with BA Agent, CS Agent, DB Agent, ING Agent, KB Agent, NBAZ Agent and SVB Agent, the " Group Agents"), as Group Agents party to the Loan Agreement, dated as of May 4, 2015 (as amended, the "Loan Agreement"), by and among the Borrower, Administrative Agent, Collateral Agent, the Group Agents, the Lenders and the other parties from time to time party thereto. As used in this Action, capitalized terms which are not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

A. The Borrower has requested the Required Group Agents to provide their consent to the addition and inclusion to the Loan Agreement and the other Financing Documents of (the "Subject Fund Transactions") [***] ("[***]"), as a Subject Fund, and [***] ("[***]"), as a Borrower Subsidiary Party (collectively, [***] and [***], the "New Entities");

B. The Required Group Agents are willing to provide their consent to the Subject Fund Transactions on the terms and subject to the conditions set forth in this Action; and

C. The Borrower, the Required Group Agents, the Administrative Agent and the Collateral Agent desire to amend the Loan Agreement as set forth herein.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto hereby agree as follows:

Section 1. Amendments to the Loan Agreement. Subject to the prior satisfaction of the conditions precedent described in Section 3 hereof, the Loan Agreement will be amended as follows (clauses (a) – (d) below, collectively, the " Loan Agreement Amendments"):

(a) Schedule 1.1(b) to the Loan Agreement shall be amended by amending and restating the table therein in its entirety:

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Partnership Managing Member / Lessor Managing Member / Borrower Subsidiary (Other Non-Financed Structure)	Equity Interests Owned as of date related Partnership or Lessor Partnership becomes a Subject Fund
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

(b) Appendix 1 of the Loan Agreement shall be amended and restated as set forth in Exhibit 1 attached hereto;

(c) Appendix 4 of the Loan Agreement shall be amended and restated as set forth in Exhibit 2 attached hereto; and

(d) Appendix 5 of the Loan Agreement shall be amended and restated as set forth in Exhibit 3 attached hereto.

Section 2. Acknowledgements and Consents. Subject to the prior satisfaction of the conditions precedent described in Section 3 hereof:

(a) the Required Group Agents consent to the Loan Agreement Amendments, with acknowledgement by each of the Administrative Agent and the Collateral Agent;

(b) the Administrative Agent and the Required Group Agents consent to the Subject Fund Transactions pursuant to and in accordance with Section 2.10(a) of the Loan Agreement; and

(c) the Administrative Agent and the Required Group Agents acknowledge and agree that (i) that certain tax insurance policy, effective as of November 14, 2016 naming [***] as named insured (the "Existing Tax Loss Policy"), satisfies the requirements of Section 11.11(b)(iv) of the Loan Agreement and (ii) pursuant to Section 11.11(b) of the Loan Agreement, no Tax Loss Policy is required for [***] so long as the Existing Tax Loss Policy remains in full force and effect.

Section 3. Conditions Precedent. This Action shall be effective upon the satisfaction of the following conditions precedent:

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

(a) The Administrative Agent shall have received counterparts of this Action, executed and delivered by each of the other parties hereto.

(b) The Administrative Agent shall have received a certificate of the Borrower dated as of the Effective Date signed by a Responsible Officer of the Borrower (i) making the Tax Equity Representations with respect to the [***] and (ii) certifying that each representation and warranty of the Borrower contained in Article 4 of the Loan Agreement is true and correct in all material respects as of the Effective Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date) other than those representations and warranties that are modified by materiality by their own terms, which shall be true and correct in all respects as of the Effective Date (unless such representation or warranty relates solely to an earlier date, in which case it shall have been true and correct in all respects as of such earlier date).

(c) The Borrower shall have delivered or caused to be delivered to the Administrative Agent a Tax Equity Required Consent from [***] in connection with the Subject Fund Transactions.

(d) Each of the Administrative Agent and each Group Agent shall have received an opinion, dated no earlier than the Effective Date, of Wilson Sonsini Goodrich & Rosati, counsel to the Loan Parties, the Borrower Subsidiary Parties and SolarCity, in form and substance reasonably acceptable to the Administrative Agent, the Collateral Agent and the Majority Group Agents, with respect to the Subject Fund Transactions.

(e) Each of the Administrative Agent and each Group Agent shall have received opinions, dated no earlier than the Effective Date, of Proskauer Rose LLP, special bankruptcy counsel to the Loan Parties, the Borrower Subsidiary Parties and SolarCity, each in form and substance reasonably acceptable to the Administrative Agent, the Collateral Agent and the Majority Group Agents, with respect to the Subject Fund Transactions.

(f) The Administrative Agent and the Collateral Agent shall have received (i) searches of UCC filings in the jurisdiction of incorporation or formation, as applicable, of each of the New Entities and the Borrower and each jurisdiction where a filing would need to be made in order to perfect the security interest of the Collateral Agent (for the benefit of the Secured Parties) in the Collateral in respect of the New Entities (the "New Collateral"), (ii) copies of the financing statements on file in such jurisdictions and evidence that no liens exist on the New Collateral pledged by [***] and the Borrower other than Permitted Liens of the type set forth in clauses (b), (c) or (d) of the definition thereof and (iii) copies of tax lien, judgment and bankruptcy searches in such jurisdictions.

(g) The Collateral Agent shall have received all documentation in connection with the New Collateral, including (i) a Joinder Agreement in the form attached as Exhibit C to the Security Agreement, executed by each of [***], the Collateral Agent and the Borrower, dated as of the Effective Date, (ii) a Joinder Agreement in the form attached as Exhibit B-1 to the CADA, executed by each of [***], the Collateral Agent and the Borrower, dated as of the Effective Date, (iii) a Joinder Agreement in the form attached as Exhibit C to the Borrower Subsidiary Party Security Agreement, executed by each of [***] and the Collateral Agent, dated as of the Effective Date and (iv) any other data, documentation, analysis or report reasonably requested by the Administrative Agent with respect to the New Entities.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

(h) (i) The UCC financing statements relating to the New Collateral shall have been duly filed in each office and in each jurisdiction where required in order to create and perfect the first priority Lien and security interest set forth in the Collateral Documents (as supplemented and as such term is defined in the Loan Agreement, as amended) and (ii) the Borrower shall have properly delivered or caused to be delivered to the Collateral Agent all New Collateral in which the Lien and security interest described above is permitted to be perfected by possession or control, including delivery of original certificates representing all issued and outstanding Equity Interests in [***] and the pledged interests in [***] pursuant to the Borrower Subsidiary Party Security Agreement, along with the applicable blank transfer powers and proxies.

(i) Each of the other conditions precedent as set forth in Section 3.4 of the Loan Agreement shall have been satisfied with respect to the Subject Fund Transactions.

(j) The Administrative Agent shall have received (i) for its own account all costs and expenses described in Section 6 of this Action, for which invoices have been presented in connection herewith and (ii) for the account of the Group Agent of each Committed Lender entitled thereto a fee as set forth below:

Lender	**Amount**
Bank of America, N.A.	[***]
Credit Suisse AG, New York Branch	[***]
Deutsche Bank AG, New York Branch	[***]
ING Capital LLC	[***]
KeyBank National Association	[***]
National Bank of Arizona	[***]
Silicon Valley Bank	[***]
CIT Bank, N.A.	[***]
Total	[***]

Section 4. Reference to and Effect on Financing Documents. Each of the Loan Agreement and the other Financing Documents is and shall remain unchanged and in full force and effect, and, except as expressly set forth herein, nothing contained in this Action shall, by implication or otherwise, limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Administrative Agent or any of the other Secured Parties, or shall alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in each of the Loan Agreement and any other Financing Document. This Action shall also constitute a "Financing Document" for all purposes of the Loan Agreement and the other Financing Documents.

Section 5. Incorporation by Reference. Sections 10.5 (*Entire Agreement*), 10.6 (*Governing Law*), 10.7 (*Severability*), 10.8 (*Headings*), 10.11 (*Waiver of Jury Trial*), 10.12 (*Consent to Jurisdiction*), 10.14 (*Successors and Assigns*) and 10.16 (*Binding Effect; Counterparts*) of the Loan Agreement are hereby incorporated by reference herein, mutatis mutandis.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Section 6. Expenses. The Borrower agrees to reimburse the Administrative Agent in accordance with Section 10.4(b) of the Loan Agreement for its reasonable and documented out-of-pocket expenses in connection with this Action, including reasonable and documented fees and out-of-pocket expenses of legal counsel.

Section 7. Construction. The rules of interpretation specified in Section 1.2 of the Loan Agreement also apply to this Action, mutatis mutandis.

[*Signature Pages Follow*]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the parties hereto have caused this Action to be duly executed by their respective authorized officers as of the day and year first written above.

MEGALODON SOLAR, LLC,
as Borrower

By: /s/ Lyndon Rive
Name: Lyndon Rive
Title: President

BANK OF AMERICA, N.A.,
as a Group Agent

By: /s/ Sheikh Omer-Farooq
Name: Sheikh Omer-Farooq
Title: Managing Director

CIT BANK, N.A.,
as a Group Agent

By: /s/ Joseph Gyurindak
Name: Joseph Gyurindak
Title: Director

CREDIT SUISSE AG, NEW YORK BRANCH,
as a Group Agent

By: /s/ Erin McCutcheon
Name: Erin McCutcheon
Title: Vice President

By: /s/ Chris Fera
Name: Chris Fera
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

DEUTSCHE BANK AG, NEW YORK BRANCH,
as a Group Agent

By: /s/ Rich Mauro
Name: Rich Mauro
Title: Vice President

By: /s/ Vinod Mukani
Name: Vinod Mukani
Title: Director

ING CAPITAL, LLC,
as a Group Agent

By: /s/ Erwin Thomet
Name: Erwin Thomet
Title: Managing Director

By: /s/ Thomas Cantello
Name: Thomas Cantello
Title: Director

KEYBANK NATIONAL ASSOCIATION,
as a Group Agent

By: /s/ Benjamin Cooper
Name: Benjamin Cooper
Title: Vice President

NATIONAL BANK OF ARIZONA,
as a Group Agent

By: /s/ Kate Smith
Name: Kate Smith
Title: Vice President

SILICON VALLEY BANK,
as a Group Agent

By: /s/ Sayoji Goli
Name: Sayoji Goli
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

BANK OF AMERICA, N.A.
as Administrative Agent and Collateral Agent

By: /s/ Darleen R. DiGrazia
Name: Darleen R. DiGrazia
Title: Vice President

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 1

APPENDIX 1

ADVANCE RATE

The "Advance Rate" means

(i) For a Subject Fund the following percentages:

Subject Fund	Advance Rate	Cash Sweep Fund or Non-Cash Sweep Fund
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

(ii) In respect of any Potential New Fund that becomes a Subject Fund, a percentage as shall be determined in accordance with this Appendix 1 following the completion of due diligence by the Administrative Agent, which by way of example shall be:

Advance Rate
For each Cash Sweep Fund, Non-Cash Sweep Fund and Other Structure, the Advance Rate will be the percentage determined for each System in such Subject Fund based on the "Type of Fund," in accordance with the table below.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Type of Fund			
Cash Sweep Fund (baseline: CB (see below))	[***]		
Non Cash Sweep Fund ([***] baseline)	[***]		
Other Non-Financed Structure ([***] baseline)	[***]		
Other Financed Structure	[***]		

"**CB**" or "**Cash Sweep Fund Baseline**" means, the lesser of (a) [***] and (b) the percentage obtained by dividing (i) the maximum amount of debt that can be fully supported by Net Cash Flows distributable to the Managing Member(s) of such Subject Fund assuming interest is accruing at the Default Rate when applying the ITC Downside Case to that particular Subject Fund and only that Subject Fund by (ii) the Discounted Solar Asset Balance of such Subject Fund.

"**ITC Downside Case**" means a scenario in which a 30% reduction in fair market value occurs in the first month that a Subject Fund is included in the Available Borrowing Base and the Aggregate Advance Model is adjusted to calculate the Net Cash Flows distributable to the Managing Member(s) of such Subject Fund in light of such reduction in fair market value and any applicable Cash Sweep Event (as defined in Appendix 7).

For avoidance of doubt, the amounts set forth in this clause (ii) are indicative subject to final determination by the Administrative Agent at the time such Subject Fund is included in the Available Borrowing Base;

(iii) [Reserved].

(iv) All PV Systems in any Watched Fund shall have an Advance Rate of [***] for purposes of calculating the Available Borrowing Base. For avoidance of doubt, this shall include any PV Systems in a Watched Fund that were financed in previous tranches and whose Net Cash Flows were incorporated in previous Available Borrowing Base calculations.

(v) To the extent that, despite negotiating in good faith, the Administrative Agent and the Borrower cannot agree on the Advance Rate under clause (ii) of this Appendix 1, the Advance Rate determined by the Administrative Agent, acting at the direction of the Majority Group Agents, shall prevail.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 2

APPENDIX 4

TAX EQUITY STRUCTURES, PARTNERSHIPS, LESSOR PARTNERSHIPS, LESSORS, SUBJECT FUNDS, MANAGING MEMBERS, FUNDED SUBSIDIARIES, LESSEES, CASH SWEEP DESIGNATIONS AND INVESTORS

Tax Equity Structure	Partnership / Lessor Partnership (Subject Fund)	Partnership Managing Member / Lessor Partnership Managing Member	Funded Subsidiaries (Subject Fund and Managing Member, if any)	Lessee	Full Cash-Sweep Fund, Partial Cash-Sweep Fund or Non-Cash Sweep Fund	Investor(s)
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Tax Equity Structure	Partnership / Lessor Partnership (Subject Fund)	Partnership Managing Member / Lessor Partnership Managing Member	Funded Subsidiaries (Subject Fund and Managing Member, if any)	Lessee	Full Cash-Sweep Fund, Partial Cash-Sweep Fund or Non-Cash Sweep Fund	Investor(s)
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]
***]	[***]	[***]	[***]	[***]	[***]	[***]

Exhibit 2

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT 3

APPENDIX 5

PROJECT DOCUMENTS

1. [***] Subject Fund

    - Master Lease, dated as of [***], by and between [***] and [***].
    - Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Amendment to Equity Capital Contribution Agreement, dated as of [***] (to add [***] as a Project State).
    - Operating Agreement of [***], dated as of [***], by and between [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and among [On File with Administrative Agent], [***] and [***].
    - Second Amended and Restated Limited Liability Company Agreement of [***] dated as of [***], by Megalodon Solar, LLC.
    - Pass-Through Agreement, dated as of [***], by and between [***] and [***].
    - Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent], [***] and [***].

2. [***] Subject Fund

    - Master Lease, dated as of [***], by and between [***] and [***].
    - Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Amendment to Equity Capital Contribution Agreement, dated as of [***] (to add [***] as a Project State) by and among SolarCity, [***] and [***].
    - First Amendment to Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity, [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and between [***] and [***].
    - Operating Agreement of [***], dated as of [***], by and between [On File with Administrative Agent] and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Second Amended and Restated Limited Liability Company Agreement of [***] dated as of [***], by Megalodon Solar, LLC.
- Pass-Through Agreement, dated as of [***], by and between [***] and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent] and [***].

3. [***] Subject Fund

- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Contribution Agreement (Systems), dated as of [***], by and among [***],[***], Megalodon Solar, LLC and [***].
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].

4. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

5. [***] Subject Fund

   - Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
   - Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
   - Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
   - Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
   - Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
   - Amendment No. 1 to Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
   - Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].
   - Transition Manager Agreement, dated as of [***], by and among [***], SolarCity Corporation and [***].

6. [***] Subject Fund

   - Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
   - Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
   - Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
   - Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
   - Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
   - Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].

7. [***] Subject Fund

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity and [***].
- Guaranty, dated as of [***], from SolarCity in favor of [On File with Administrative Agent].

8. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].

9. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Second Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Asset Management Agreement, dated as of [***], by and between SolarCity and [***].
- Master Purchase and Equity Capital Contribution Agreement, dated as of [***], by and among SolarCity Corporation, [***], [***] and [On File with Administrative Agent].
- Amendment Agreement, dated as of [***], by and among SolarCity Corporation, [***], [***] and [On File with Administrative Agent].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- Accession Agreement, dated as of [***], by and among SolarCity Corporation, [***] and [***].
- SREC Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

10. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of Cas[***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- Accession Agreement, dated as of [***], by and among [***], SolarCity Corporation and [***].
- SREC Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

11. [***] Subject Fund

- Master Lease Agreement, dated as of [***], by and between [***] and [***].
- Omnibus Amendment No. 1 and Consent, dated as of [***], by and among SolarCity Corporation, [***] and [***], as acknowledged by [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Independent Manager Agreement, dated as of [***], by and among [***], [***] and [***].
- Security Agreement, dated as of [***], by and between [***] and [***].
- Depositary Agreement, dated as of [***], by and between [***] and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].
- UCC-1, filed [***], designating [***], as "[***]", and [***], as "Secured Party".
- Each Contribution Agreement entered into by and among SolarCity Corporation, [***] and the other parties thereto.
- Each Assignment and Assumption Agreement entered into by and between [***] and [***].

12. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amendment No. 1 to Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

- Guaranty, dated as of [***], by and between SolarCity Corporation and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity and [***].

13. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Guaranty, dated as of [***], by SolarCity Corporation in favor of The Big Green Solar I, LLC and [On File with Administrative Agent].
- Transition Manager Agreement, dated as of [***], by and among [***], SolarCity Corporation, [On File with Administrative Agent] and [***].

14. [***] Subject Fund

- Limited Liability Company Agreement of [***], dated as of [***], by and between [***] and [On File with Administrative Agent].
- Amended and Restated Limited Liability Company Agreement of [***], dated as of [***], by Megalodon Solar, LLC.
- Maintenance Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Administrative Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- SREC Services Agreement, dated as of [***], by and between SolarCity Corporation and [***].
- Master Development, EPC & Purchase Agreement, dated as of [***], by and between SolarCity Corporation and [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

• Guaranty, dated as of [***], by SolarCity Corporation in favor of [On File with Administrative Agent].

Exhibit 3

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 10.25

CONFIDENTIAL TREATMENT REQUESTED

Certain portions of this document have been omitted pursuant to a request for Confidential Treatment and, where applicable, have been marked with "[***]" to indicate where omissions have been made. The confidential material has been filed separately with the Securities and Exchange Commission.

Production Pricing Agreement: Phases 1-3
("Phase 1-3 Agreement")

Date: December 31, 2016

Pricing Validity Period: January 1, 2017 through December 31, 2026

Annual Forecasted Production Volume:

- [***] MW (Phase 1 Modules);
- [***] MW (Phase 2 PV Cells), with Modules;
- [***] MW (Phase 3 PV Cells), with Modules;
- *1 GW (Total PV Cells) plus Modules.*

Payment Terms: Net 60 Days

1. This Phase 1-3 Agreement is entered as of the first date set forth above (the "Phase 1-3 Effective Date") by and between Tesla Motors, Inc. and SolarCity Corporation (collectively with their Affiliates, "Tesla"), on the one hand, and Panasonic Corporation, Sanyo Electric Co., Ltd., and Panasonic Corporation of North America, by and through their respective Solar System Business Units (collectively, "Seller"), on the other hand. The Parties agree to this Phase 1-3 Agreement in consideration of the mutual promises and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged. Any capitalized term not separately defined in this Phase 1-3 Agreement shall have the meaning ascribed to it in the GTC (as defined below).

2. *Sourcing and Manufacturing*.

   a. Seller shall develop, manufacture, deliver, and sell best-in-class, high-efficiency photovoltaic cells ("PV Cells"), and photovoltaic panels or modules (collectively, "Modules") pursuant to mutually-agreed Specifications (collectively, "Goods") to Tesla and Tesla's Authorized Purchasers in accordance with this Phase 1-3 Agreement.

   b . *Production Phases*. Seller shall produce Goods as follows in distinct production phases (each, a "Phase"). The Parties shall determine, based on a good faith discussion, (i) whether Seller will build [***] PV Cells, [***] PV Cells, or a combination thereof for each Phase, as applicable, and (ii) the required Module design(s) for each Phase. The Parties will also discuss in good faith whether to [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

i. *Phase 1*: On or around [***] but subject to Section 2.g below, Seller shall begin to produce Goods that conform to mutually-agreed Specifications, using (1) Equipment[1] for PV Cell production at one or more Seller factories in [***], and (2) [***], certain Equipment already owned or controlled by Tesla or its Affiliate, and any necessary additional Equipment procured by Seller for Module production at Tesla's solar factory in Buffalo, New York, USA (the "Buffalo Factory") (this is "Phase 1").

ii. *Phase 2*: On or around [***] but subject to Section 2.g below, Seller shall begin to produce and deliver Goods (including PV Cells and Modules using existing technology) at the Buffalo Factory that conform to mutually-agreed Specifications, using a combination of Seller Equipment [***], certain Equipment already owned or controlled by Tesla or its Affiliate , new Equipment procured by Seller, and if agreed by both Parties, additional Equipment procured by or for Tesla or its Affiliate (this is "Phase 2"). Tesla reserves the right to produce and use its own photovoltaic modules, in which case Seller will work together with Tesla to ensure that the Goods (e.g. PV Cells) can be used in conjunction with such Tesla modules.

iii. *Phase 3*: On or around [***] but subject to Section 2.g below, Seller shall begin to produce Goods with new, state-of-the-art technology that conform to mutually-agreed Specifications, using Equipment provided and/or procured by Seller (this is "Phase 3"). Seller shall begin producing Goods on the first production line for Phase 3 by [***], and produce at maximum rate on [***].

c. *Aggregate Production Target.*

i. Seller shall achieve and remain capable of maintaining an annualized production rate of PV Cells with aggregate energy of [***] on or around [***] (including PV Cells from Phase 2 and Phase 3, with production at the Buffalo Factory and, if mutually-agreed by the Parties, [***] production lines at a Seller factory in [***]). Seller shall be responsible for procuring, installing, and maintaining all Equipment required for such production.

ii. Seller shall achieve and remain capable of maintaining an annualized production rate of PV Cells with aggregate energy of [***] (including PV Cells from Phase 2 and Phase 3, with production only at the Buffalo Factory), unless the Parties agree [***]. Seller shall be responsible for procuring, installing, and maintaining all Equipment required for such production.

d. *Labor.*

i. Seller shall provide all manufacturing labor for all such Goods and all Services performed by or for Seller in connection with this Phase 1-3 Agreement. Seller understands that SolarCity has entered into a contract with the Research Foundation for the State University of New York (including its Affiliates) (the "SUNY Foundation") whereby SolarCity has agreed to certain contractual targets with respect to job creation at the Buffalo Factory and whereby SolarCity receives certain financial benefits from the SUNY Foundation and/or the State of New York (this is the "SUNY Contract"). It is understood that Seller has no direct obligations or rights under the SUNY Contract. If SolarCity is required to reimburse, refund, or otherwise return any financial benefits

[1] "Equipment," as used in this Phase 1-3 Agreement, means collectively capital equipment, jigs, fixtures, and facility and utility modifications (including all logistics and installation costs.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

received under the SUNY Contract, Tesla will have the sole obligation to pay such amounts directly to SUNY but Tesla does not waive any of its rights or remedies with respect to a breach by Seller under this Phase 1-3 Agreement or the GTC.

ii. Seller agrees as follows:

1. Provided that Tesla and/or its Authorized Purchasers order Goods with aggregate energy of [***] MW or more on an annualized basis, Seller shall use best efforts to employ a minimum of [***] Seller employees at the Buffalo Factory engaged in activities reasonably related to the production of Goods by [***], and thereafter shall use best efforts to retain such jobs throughout the remainder of term of this Phase 1-3 Agreement. In any event, if orders are below the foregoing threshold, Seller shall use Commercially Reasonable Efforts to continue to meet such employment targets.

2. Throughout the term of this Phase 1-3 Agreement, Seller shall use Commercially Reasonable Efforts to staff employees at the Buffalo Factory who are residents of Buffalo, New York.

3. Throughout the term of this Phase 1-3 Agreement, promptly following the end of each calendar quarter (but in any event no later than 30 days following the end of each calendar quarter), Seller shall provide Tesla with reports, certified by an officer of Seller, setting forth the following information as of the end of such calendar quarter: (i) the number of Seller employees employed at the Buffalo Factory, (ii) the following employee information for all Seller employees employed at the Buffalo Factory: titles, number of employees in each title, and number of full-time and part-time employees per title, and (iii) aggregate demographic information regarding the Seller employees employed at the Buffalo Factory, including, as such information is available in the records of Seller, Equal Employment Opportunity information.

e. *Materials*.

i. Except as expressly set forth in this Phase 1-3 Agreement or in the Buffalo Lease or as otherwise agreed in writing by the Parties from time to time, Seller shall be responsible for procuring all production materials which are incorporated in finished Goods or otherwise required for production thereof including consumables ("Materials") in connection with this Phase 1-3 Agreement, including without limitation silicon wafers, module components, and bulk gases; provided, however, that the Parties shall work together in good faith to procure such Materials at the lowest possible cost, which may include sourcing of some Materials by Tesla.

ii. Seller shall use Commercially Reasonable Efforts to procure Materials from one or more suppliers based in the State of New York.

iii. [***].

iv. [***]

v. [***]. Seller will be responsible for maintenance of Equipment required for connection to and use of such utility services at the Buffalo Factory.

f. *Equipment*.

i. Equipment provided to Seller by or for Tesla hereunder, if any, shall be deemed to be "Tesla Property" as that term is used in the GTC, and Tesla's obligation to provide such Equipment shall be deemed to be a Tesla Responsibility. If and to the extent that any

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

such Tesla-owned or Tesla-controlled Equipment requires repairs or replacement (as opposed to ordinary maintenance), the Parties shall discuss in good faith which Party is financially and operationally responsible for such repair or replacement with the intent that (1) Seller will be responsible if the repair or replacement results from improper use or maintenance, and (2) Tesla will be responsible if the repair or replacement results from a non-conformity or defect in the Equipment. The Parties shall negotiate in good faith the amounts payable by Seller for use of such Equipment, if any.

ii. The Parties shall discuss in good faith Seller's planned Equipment purchases for the Buffalo Factory and Seller will not, without Tesla's written consent, [***]. Except as expressly stated otherwise in this Phase 1-3 Agreement or as expressly agreed otherwise in writing by Tesla, Seller shall be responsible for procuring, installing, and maintaining all Equipment required for Phase 1 and all Equipment required for Phase 2.

iii. [***].

iv. [***]

v. Seller will be responsible for procuring and installing the facility and utility fixtures and systems required for Phase 3.

g. *Tesla Responsibilities*. Tesla will perform each of the following as a Tesla Responsibility, as that term is defined in Section 1.6 (Tesla Responsibilities) of the GTC, and the following shall be the only Tesla Responsibilities with respect to obligations hereunder unless expressly agreed otherwise in writing by Tesla:

i. provide and maintain a designated space for Seller at the Buffalo Factory in accordance with Section 9.a hereof;

ii. [***];

iii. [***];

iv. in connection with Phase 1 and Phase 2, Tesla shall provide reasonable training to Seller with respect to use and maintenance of the Tesla-procured and Tesla-provided Equipment (which shall be deemed to be Tesla Property) and use and maintenance manuals and the written specifications for such Equipment, and Tesla hereby grants to Seller a limited, non-exclusive, non-assignable, non-sub licensable, royalty-free license to use any Intellectual Property Rights owned by Tesla to the extent necessary to use such Tesla Property for the performance of Seller's obligations in Phase 1 or Phase 2;

v. lead discussions with the utility providers with respect to rates and contract terms for the following utility services at the Buffalo Factory: [***];

vi. obtain building permits as required by Law for the Buffalo Factory;

vii. install and/or modify the facility and utility fixtures and systems required for piping for water, exhaust ducts, 200V transformers, compressed air, chemical drains, water treatment, waste treatment, walls, floors, and ceilings in the Buffalo Factory as follows: if and when required for Phase 1 and Phase 2, provided that Seller shall pay for all such fixtures and systems to the extent related to Phase 2 and Seller may invoice Tesla for Seller's actual, reasonable, and incremental costs and expenses therefor, and [***];

viii. install and/or modify the utility fixtures and systems in the Buffalo Factory only as required for Phase 2;

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

ix. Tesla will support the negotiations for procurement and installation of the Phase 3 facility and utility fixtures and systems.

3. *Goods*.

a. The Parties shall work together in good faith to finalize the Specifications for the Goods on or around the following dates, and the Specifications shall, upon written approval by Tesla, be incorporated into this Phase 1-3 Agreement as an integral part hereof: for Phase 1, [***]; for Phase 2, [***]; and for Phase 3, [***]. The Specifications shall include a methodology to measure conversion efficiency of the Goods. The Parties shall also discuss in good faith and include in the Specifications (i) appropriate test requirements to ensure that the Modules are capable of conforming to the [***]-year Performance Warranty as defined in the GTC, and (ii) a reliability transfer standard whereby Tesla will be responsible for establishing a non-conformity in one or more PV Cells if and to the extent that Tesla has used or installed such PV Cells with Tesla photovoltaic modules.

b. Notwithstanding anything to the contrary herein, Seller represents and warrants that the Goods shall be Qualified PV Cells and Qualified Panels (as applicable) throughout the Warranty Period. Module efficiency shall be measured in accordance with the methodology set forth in the Specifications. "Qualified PV Cells" means PV Cells that achieve efficiency of at least [***]% (for the [***] after the start of production for Phase 2) or [***]% (beginning [***] after the start of production for Phase 2) [***], and "Qualified Panels" means solar Modules that achieve Module efficiency of at least [***]% for Seller-standard [***] Modules and a mutually-agreed percentage for [***] Modules (which Tesla estimates to be approximately [***]%) unless otherwise agreed by the Parties.

c. Seller shall deliver Goods DDP or, only if specified in the applicable Purchase Order or Release, DAP (Incoterms 2010) Tesla's designated space at the Buffalo Factory. [***]

d. All shipments of Goods shall be packaged as mutually-agreed by the Parties. The Parties shall discuss in good faith the required packaging for Goods. Seller shall mark the containers in accordance with the reasonable instructions of Tesla.

e. The Lead Time for deliveries of Goods shall be [***] from the date of issuance of the Purchase Order or Release.

4. *Pricing*.

a. The Parties agree to pricing with respect to the Goods as contemplated in this Section; provided, however, that (i) the Parties shall conduct regular value analysis studies on an on-going basis in an effort to identify potential savings and adjust the series production price accordingly [***], and (ii) the pricing may adjust as contemplated in this Phase 1-3 Agreement or as agreed in writing by both Parties from time to time.

b. *Pricing during Start-Up Period*.

i . During the Start-Up Period for each Phase of production under this Phase 1-3 Agreement, Seller will charge [***] for each Good as determined by the Parties based on a good faith discussion [***].

ii. Seller shall be financially and operationally responsible for the start-up and ramp of production of Goods for each Phase of this Phase 1-3 Agreement, including the payment of any and all costs and expenses for Seller to successfully complete such start-up and production ramp, including all costs, expenses, and losses related to lower efficiency

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Goods and lower productivity during the Start-Up Period (such costs are, collectively, the "Start-Up Costs"). Tesla shall have no obligation to pay for any Start-Up Costs except as expressly provided otherwise in this Section. The Start-Up Costs do not and shall not include any amounts [***] through the sale of Goods as Seller [***], as contemplated in Section 4.c.vii below.

iii. At the conclusion of the Start-Up Period for each Phase, [***]. If and to the extent that [***], Tesla will [***] as follows: the Parties shall discuss in good faith and determine and implement an appropriate temporary increase of the unit cost for Goods in such Phase such that Seller will recover the [***] through the sale of Goods over a period of [***] months. The unit cost of Goods [***] through the sale of Goods. [***].

iv. "Start-Up Period" has the following meaning:

1. for Phase 1, [***];
2. for Phase 2,[***]; and
3. for Phase 3,[***].

v . The "Start of Production" for each Phase will be deemed to occur on the day which first Seller delivers Goods manufactured at the Buffalo Factory which are saleable units.

c . *Pricing after Start-Up Period.* For each Phase, the pricing described in this Section shall apply after the corresponding Start-Up Period.

i. The Parties shall negotiate in good faith and set prices for the Modules produced in Phase 1 and all Goods produced in Phases 2 and 3 based on the transfer pricing described in Exhibit 1 (Transfer Pricing), which is incorporated by reference as an integral part hereof, [***].

ii. The Parties shall promptly negotiate in good faith an adjustment to Exhibit 1 as follows:[***].

iii. The pricing for Goods in Phase 1 will be determined as follows:

1. the total purchase price for PV Cells manufactured in [***] will be an amount equal to [***], and
2. the Transfer Price for Modules will be an amount equal to [***].
3. The Transfer Prices for the all-in Module Transfer Price (including PV Cells) in Phase 2 and Phase 3 (both PV Cells and Modules) will be an amount equal to [***]:
   a. [***], and
   b. [***].

iv. The purchase price of Goods hereunder shall cover and be deemed to include [***], if any (this is referred to herein as the "Seller [***]"). For Modules in Phase 1 and all Goods in Phases 2 and 3, the Seller [***] applicable to sales hereunder shall be set in accordance with Section 4.c.ii above and Exhibit 1.

v. For the avoidance of doubt, Tesla shall have no obligation to pay for, and the prices for Goods shall not be set hereunder with reference to, any of the following in connection with the purchase of Goods: [***].

vi. Seller shall provide Tesla with access to [***].

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

vii. If and to the extent that the Production Plan requires production at the Buffalo Factory of a lower volume of Goods than Pana's then-current production capacity and Pana is unable to sell Goods resulting from such excess capacity using Commercially Reasonable Efforts, the Parties shall negotiate in good faith and implement[***].

d. Seller shall extend a sufficient credit limit to cover deliveries over the agreed payment term based on the Annual Forecasted Production Volume.

e. Parties will discuss in good faith if and to the extent that[***].

5. *Forecasts and Order Process*.

a. Seller acknowledges that the Annual Forecasted Production Volume is provided for planning purposes only and is not a volume guarantee and Tesla shall have no liability for failure to order the forecasted volumes or any quantity of Products. The binding quantities to be supplied by Seller and the applicable delivery dates will be specified in the mutually-agreed Production Plan. Seller agrees that Tesla is not required to issue any POs or Releases for Products, and Seller shall not reject any PO or Release issued hereunder which is consistent with this Phase 1-3 Agreement.

b. Any Tesla entity may issue a PO hereunder, and any Tesla entity or third party which is authorized in writing by Tesla to purchase Products on Tesla's behalf ("Authorized Purchasers") may issue Releases for Products pursuant to a PO. Seller shall guarantee delivery of the Products that fall within the forecasted volumes at the prices set forth in this Phase 1-3 Agreement. Seller shall direct all invoices under a PO to the Tesla entity identified in the PO or, if applicable, to the Authorized Purchaser that issued the applicable Release.

c. Each month during the term of this Phase 1-3 Agreement, Tesla will provide a rolling monthly forecast of its anticipated requirements for Goods for the subsequent [***] as contemplated in Section 1.1(a) (Forecasts) of the GTC. At a monthly meeting led by Tesla ("Production Meeting"), the Parties shall then review in good faith Tesla's forecast, the supply chain and other requirements to manufacture per Tesla's forecast, any potential or actual constraints on Seller's ability to manufacture Goods in accordance with Tesla's forecast, and other business- and production-related issues. The Parties will then establish a production plan and/or update the existing production plan for manufacture and delivery of Goods based on the applicable Lead Time(s), [***]. Seller shall not withhold, condition or delay its consent to Tesla's proposed production plan if Seller is capable of meeting Tesla's forecast, based on such factors as supply chain constraints, labor constraints, and the performance capability of the Property. The agreed plan is the "Production Plan." The Parties may agree in writing to adjust the Production Plan at any time.

d. The Annual Forecasted Production Volume hereunder for each Phase in 2017 is described above. If and to the extent that Tesla and/or its Authorized Purchasers wish to order Goods in any Phase in excess of the foregoing volumes hereunder in a calendar year, [***].

e. No later than the first day of each month during the term of this Phase 1-3 Agreement but subject to Section above, Tesla will (or will cause one or more of its Authorized Purchasers to) issue one or more Purchase Orders and/or Releases for Goods, with the intent that [***]. Such Purchase Orders and Releases shall be firm and non-cancellable with respect to Goods scheduled for delivery within a rolling period of [***] days. This Section 4.e is intended to supersede Section 1.4 (Purchase Order/Release Liability) of the GTC.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

f. Tesla commits to order and/or cause its Authorized Purchasers to order all Goods manufactured by Seller pursuant to the Production Plan.

g. If and to the extent that Seller's production capacity exceeds the agreed Production Plan, Seller may (subject to the NDA and without use or reference to any Intellectual Property Rights of Tesla or any of Tesla's Affiliates) [***].

h. For the avoidance of doubt, Tesla remains free to purchase PV Cells, Panels, Modules, and similar products from one or more third parties and to manufacture such goods itself, subject to the NDA.

6. *Intellectual Property Rights*. Notwithstanding anything to the contrary in Section 10 (Intellectual Property Rights) of the GTC, the Parties agree as follows in connection with this Phase 1-3 Agreement:

a . Research & Development. The Parties shall collaborate and discuss in good faith development of new and derivative technologies in connection with this Phase 1-3 Agreement (e.g. for [***], etc.). In connection with the foregoing commitment, Seller shall[***].

b . Background IP. Per Section 10.1 of the GTC, each Party reserves sole and exclusive ownership of its Background IP. "Background IP" means all Intellectual Property Rights that a Party owns or controls on the Effective Date, or that is created or acquired by a Party independently of the Parties' relationship after the Effective Date.

c. Foreground IP.

i. If a Party, or any person employed by or working under the direction of a Party, as a result of such Party's performance under this Phase 1-3 Agreement conceives or otherwise creates (in whole or in part) any subject matter eligible for Intellectual Property Rights protection (collectively referred to herein as "Inventions"), then the Intellectual Property Rights arising from such Inventions ("Foreground IP") shall be owned as set forth in Exhibit 2 (Invention Ownership). The foregoing applies regardless of whether: (a) the Inventions are patentable or copyrightable; or (b) any Intellectual Property Rights applications are filed, or registrations are obtained, for the Inventions. For the avoidance of doubt, the Inventions include, without limitation: (1) any invention or any experimental, development or research activities, including engineering related thereto, whether or not patentable; (2) any reduction to practice of any subject matter, application or discovery which could be patented or copyrighted; or (3) any improvement in the design of the Goods or any alternative or improved method of accomplishing the objectives of this Phase 1-3 Agreement.

ii. The Parties will regularly and periodically, but in no event less than twice per year, confer to discuss and disclose any Invention(s) in any of the [***] Substantive Areas in Exhibit 2 (Invention Ownership) (i.e. Module (standard), [***] Module (specific to [***]), and Module (non-standard)) and result from either Party's performance or work under this Phase 1-3 Agreement, and will notify the other Party, and provide an opportunity for discussion, prior to filing for issuance of any Intellectual Property Right relating thereto.

iii. If this Phase 1-3 Agreement specifies that Foreground IP arising from an Invention by one Party shall be owned by the other Party, the inventing Party hereby assigns such Foreground IP to the other Party, and will cooperate (and cause its employees to

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

cooperate) in executing any documents and taking any other actions necessary or convenient to patent, copyright, and assign Foreground IP which shall be owned by the other Party or otherwise perfect or protect such Foreground IP for the benefit of such other Party. If a Party does not wish to file a patent with respect to an Invention which it owns per Exhibit 2, that Party may in its sole discretion propose to convey such Invention to the other Party for purposes of filing a patent application. If such other Party accepts the Invention, it shall file a patent application with respect to the Invention and license such Invention to the inventing Party under terms that permit use by and for the business activities of such inventing Party and its Affiliates.

iv. [***]

v. [***]

d. License Rights.

i. Tesla hereby grants to Seller a limited, non-exclusive, non-assignable, non-sublicensable, royalty-free license to the Background IP and Foreground IP owned by Tesla or an Affiliate of Tesla solely to the extent necessary for Seller to produce, make, offer for sale, test, evaluate, and sell Goods under this Phase 1-3 Agreement to Tesla, Tesla's Affiliates, or Tesla's Authorized Purchasers.

ii. Unless expressly agreed otherwise in writing by Tesla, Seller agrees that it will not engage in, nor will it authorize or allow others to engage in, reverse engineering, disassembly or decompilation of any information or technology in which Tesla has any Intellectual Property Rights.

iii. Except as expressly provided in this Phase 1-3 Agreement, no other rights or licenses are granted to Seller, including by way of implication, waiver, or estoppel.

e. [***].

i. [***]

ii. [***]

iii. [***]

iv. [***]

v. [***]

vi. [***]

f. [***].

i. [***]

ii. [***]

iii. [***]

g. [***]

i. [***]

ii. [***]

iii. [***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

iv. [***]

v. [***]

vi. [***]

vii. [***]

viii. [***]

ix. [***]

1. [***]
2. [***]
3. [***]
4. [***]
5. [***]

x. [***]

xi. [***]

xii. [***]

xiii. [***]

1. [***]
2. [***]
3. [***]
4. [***]

xiv. [***]

xv. [***]

xvi. [***]

1. [***]
2. [***]
3. [***]

h. [***]

i. [***]

ii. [***]

iii. [***]

iv. [***]

7. *Renewal; Termination*.

a. This Phase 1-3 Agreement shall commence as of the Phase 1-3 Effective Date and continue throughout the Pricing Validity Period set forth above, unless terminated earlier under this Section or by mutual written agreement of the Parties. This Phase 1-3 Agreement shall then

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

renew for successive periods as set forth in Section 7.b below, unless terminated pursuant to the terms of this Section 7.

b. At least [***] months prior to expiration of the initial Pricing Validity Period, the Parties shall begin to discuss the possible renewal of this Phase 1-3 Agreement. At least [***] days prior to expiration of the initial Pricing Validity Period, the Parties shall discuss in good faith volumes and pricing of Products for the subsequent Pricing Validity Period (i.e., the subsequent calendar year unless specified otherwise in writing by Tesla). If the Parties do not enter into a new Phase 1-3 Agreement with respect to the Products at least [***] prior to expiration of the then-current Pricing Validity Period and Seller has not provided at least [***] months' prior written notice to Tesla that Seller does not wish to renew the Phase 1-3 Agreement, then this Phase 1-3 Agreement shall renew for successive periods of [***] on the then-current terms (including price) with an Annual Forecasted Production Volume equal to [***]. For the avoidance of doubt, the renewal or extension of this Phase 1-3 Agreement shall not automatically renew or extend any previously-issued POs or Releases; rather, upon renewal or extension of the Phase 1-3 Agreement, Tesla will issue a new PO in connection with such renewal or extension.

c. Each Party may terminate this Phase 1-3 Agreement pursuant to this Section 7 or the terms set forth in Section 12 (Duration and Termination) of the GTC. This Phase 1-3 Agreement may only be terminated as provided in this Section 7. Termination by a Party will be without prejudice to any other rights and remedies available to a Party.

d. If and to the extent that Seller [***], Seller may notify Tesla in writing if Seller wishes to modify or terminate the Phase 1-3 Agreement for convenience (i.e. without default). Seller shall not be entitled to modify or terminate for convenience without Tesla's express, prior written consent. In connection with any such notice by Seller, the Parties shall discuss in good faith and Tesla shall select one or both of the following possibilities: [***].

e. Tesla may terminate this Phase 1-3 Agreement for convenience (i.e. without default) by giving written notice to Seller specifying the effective date of termination in the following circumstances:[***]. Tesla will give at least [***] months' prior written notice of termination in connection with Subsections (i) and (iii) of the preceding sentence. In connection with any termination pursuant to this Section 7.e or any termination of this Phase 1-3 Agreement by Seller for Tesla's Default, Tesla will, in full and complete satisfaction of any and all obligations of Tesla hereunder: [***].

8. *Step-In Rights*.

a. Tesla shall have the right to exercise the step-in rights described in this Section (the "Step-In Rights") by giving written notice to Seller in the following circumstances: (i) if Tesla terminates this Phase 1-3 Agreement due to Seller's Default; (ii) if a Force Majeure Event has occurred and is likely to result in the Seller being wholly or substantially unable to perform its obligations under this Phase 1-3 Agreement; (iii) in connection with termination of this Phase 1-3 Agreement pursuant to Section 7.d above; or (iv) as expressly permitted under this Phase 1-3 Agreement. The Parties shall promptly discuss in good faith Tesla's step-in rights and the best approaches to avoid any disruption to ongoing production, maintain employment employees at the Buffalo Factory, and compensate Seller fairly for its investments in the Buffalo Factory. The provisions of this Section are a bargained consideration essential to Tesla's agreement to this Phase 1-3 Agreement.

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

b. The Step-In Rights shall include the following, as determined by Tesla, and Tesla may exercise the following rights promptly after giving notice to Seller pursuant to Section 8.a above:

i. [***].

ii. [***].

iii. [***].

iv. [***]

1. [***].

2. [***].

3. [***].

c. Seller shall cooperate in the exercise by or on behalf of Tesla of Tesla's rights under this Section.

9. *Tesla Facilities*.

a. The Parties shall negotiate in good faith the terms and conditions whereby Seller may lease sufficient space at the Buffalo Factory to enable Seller to develop, produce, and deliver Goods under this Phase 1-3 Agreement. This shall include the requirements for Seller to pay rent and utilities at the Buffalo Factory in mutually-agreed amounts. Subject to any required third-party approval(s), including, without limitation, the approval of the SUNY Foundation, the Parties shall then sign a lease at the Buffalo Factory for such purpose (the "Buffalo Lease"). Seller acknowledges that, pursuant to the terms of Tesla's contract with the SUNY Foundation, Tesla has agreed to use Commercially Reasonable Efforts to further certain educational goals with SUNY which may require Tesla to permit access to portions of the Buffalo Factory (including portions of the Buffalo Factory leased or otherwise made available to Seller) with individuals not affiliated with Tesla or Seller. In such event, Tesla and Seller shall work together to permit such access while preserving the confidentiality of any proprietary information (including, without limitation, requiring that visitors agree to mutually agreeable confidentiality agreements, limiting access to certain highly-confidential areas, and preventing the access to trade secrets within the Buffalo Factory).

b. The Parties shall negotiate in good faith the terms and conditions whereby Seller may lease sufficient space at the [***], to enable Seller to develop Goods under this Phase 1-3 Agreement. This shall include the requirements for Seller to pay rent and utilities at the [***] in mutually-agreed amounts. Seller acknowledges that such lease may be subject to required third-party approval(s).

10. *Miscellaneous*. Seller and Tesla agree that the supply of Products shall be pursuant to the draft General Terms and Conditions for Solar between Seller and Tesla as of the date last signed below (the "Draft GTC") or, if applicable, the signed General Terms and Conditions for Solar between Seller and Tesla. If the Parties sign an alternative version of such General Terms and Conditions for Solar following a good faith negotiation, the signed General Terms and Conditions for Solar shall supersede and replace the Draft GTC with the intent that this Phase 1-3 Agreement will be deemed to subject to the Parties' respective rights, obligations and duties under the signed General Terms and Conditions for Solar to the exclusion of any inconsistent terms in the Draft GTC. (The applicable general terms and conditions are referred to herein as the "GTC"). The Parties agree that the geographic scope of warranties on the Products shall include the countries identified in the GTC and, notwithstanding

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

anything to the contrary in the GTC, the countries in which Tesla Products are sold (as reflected on Tesla's website, https://www.teslamotors.com/) at the time of Seller's delivery of Products hereunder. This Phase 1-3 Agreement, together with the GTC and the documents referenced or incorporated herein or in the GTC, constitutes the entire agreement between the Parties with respect to its subject matter, supersedes all prior oral or written representations or agreements by the Parties with respect to its subject matter, and no subsequent terms, conditions, understandings, or agreements purporting to modify the terms of this Phase 1-3 Agreement (except for POs issued by Tesla hereunder) will be binding unless in writing and signed by both Parties. This Phase 1-3 Agreement may be executed in counterparts, each of which when so executed and delivered will be deemed an original, and all of which taken together will constitute one and the same instrument.

Agreed by the Parties on the date set forth above.

Panasonic Corporation of North America	**Tesla Motors, Inc.**
By: /s/ Michael Riccio	By: /s/ JB Straubel
Printed: Michael Riccio	Printed: JB Straubel
Title: CFO & Treasurer	Title: Chief Technology Officer
Date: 12/26/16	Date: Dec. 22, 2016

Panasonic Corporation	**Sanyo Electric Co., Ltd.**
By: /s/ Tamio Yoshioka	By: /s/ Yoshiaki Nakagawa
Printed: Tamio Yoshioka	Printed: Yoshiaki Nakagawa
Title: Senior Managing Director	Title: President
Date: Dec. 26, 2016	Date: Dec. 27, 2016

SolarCity Corporation
By: /s/ Lyndon Rive
Printed: Lyndon Rive
Title: CEO
Date:

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 1 – Transfer Pricing

Transfer Price Index (in cents per Watt or ₵/W)

	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
Transfer Price Cap	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
[***]	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Examples:

Example A: [***]

Example B: [***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 2 – Invention Ownership

Ownership of New Inventions Under Phase 1-3 Agreement				
Substantive Area	Party's Sole Invention			Collaborative Invention
	Derivative Solely of Inventor's Background IP	Derivative of other Party's Background IP (in whole or in part)	Not Derivative	
[***]	[***]			
[***]	[***]			
[***]	[***]			
[***]	[***]			
[***]	[***]			
[***]	[***]			
[***]	[***]			
[***]	[***]			
[***]	[***]			
[***]	[***]			
[***]	[***]			
[***]	[***]			

1. As used in this chart and for purposes of this Exhibit 2:
   a. [***]
   b. [***].
   c. [***]
   d. [***]
   e. [***]
2. [***]
3. [***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 3 – [***]

The "[***]," for purposes of this Phase 1-3 Agreement, shall include the companies listed below and their respective Affiliates:

1. [***]
2. [***]
3. [***]
4. [***]
5. [***]
6. [***]
7. [***]
8. [***]
9. [***]
10. [***]
11. [***]
12. [***]
13. [***]
14. [***]
15. [***]
16. [***]
17. [***]
18. [***]
19. [***]

[***] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002

I, Lyndon R. Rive, certify that:

1) I have reviewed this Annual Report on Form 10-K of SolarCity Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Lyndon R. Rive
Lyndon R. Rive
Chief Executive Officer
(Principal Executive Officer)

Date: March 1, 2017

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002

I, Radford Small, certify that:

1) I have reviewed this Annual Report on Form 10-K of SolarCity Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Radford Small
Radford Small
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: March 1, 2017

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Lyndon R. Rive, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of SolarCity Corporation for the fiscal year ended December 31, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of SolarCity Corporation.

Date: March 1, 2017

/s/ Lyndon R. Rive
Lyndon R. Rive
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Radford Small, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of SolarCity Corporation for the fiscal year ended December 31, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of SolarCity Corporation.

Date: March 1, 2017

/s/ Radford Small
Radford Small
Chief Financial Officer
(Principal Financial Officer)